

**Seen from America:
What to Expect from the French Presidency of the European Union,
July-December 2008**

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Summary

With the French presidency of the European Union due to begin in just a few weeks, Justin Vaisse offers an overview of the political context, the priorities and the perspectives of success of this presidency. After presenting briefly its logistical aspects, he stresses the challenge of advancing a European agenda which is, for the most part, predetermined, all the while trying to reconcile national and European interests. Although the international context presents many obstacles, relations between France and its principle partners seem good -or have recently improved, as is the case with Germany. The institutional context, however, is less clear: France will have to both ensure that it doesn't threaten the ratification process of the Lisbon Treaty by all member states nor further negotiations concerning its application in 2009. The analysis then focuses on the four priorities put forward by Paris: the relaunching of European defense, ten years after the Saint-Malo summit; the energy and climate issues, including energy security; the agriculture issue not only for the planned "health check" of the common agricultural policy but also for the post-2013 perspectives, all this in a rapidly changing context; and finally a tightening of immigration policy, which reflects a new tendency in the European Union. Will Nicolas Sarkozy have a successful presidency? Will he be "Sarkozy the European" who made the adoption of the simplified treaty under the German presidency possible, or will he be the hyperactive defender of French interests even though the presidency requires some self-effacement and much negotiation? The question is posed.

No one should be fooled by the grandiose sounding phrase "Presidency of the European Union": there is less in the function than meets the eye. Indeed, the best analogy might come from Richard Neustadt's classic book about the American presidency, casting it as the mere "power to persuade" the other branches of government to get things done. Neustadt famously quoted Harry Truman on the challenges his recently elected successor, General Eisenhower, would soon face: "He'll sit here, and he'll say, 'Do this! Do that!' *And nothing will happen*. Poor Ike—it won't be a bit like the Army. He'll find it very frustrating."¹

Similarly, and even without an Army background, Nicolas Sarkozy will soon experience firsthand the limits and frustrations of France holding the 6-month rotating presidency of the European Council – a task consisting primarily in organizing and chairing some 4,000 meetings and summits of the 27 countries and tirelessly trying to persuade them to adopt bold common positions on sensitive issues. Indeed, far from being in a position to dictate its own political agenda, the country holding the presidency is often forced to make sacrifices for the sake of European unity – and for fulfilling its responsibilities as president. Better metaphors for this sobering role might include the migration of Monarch butterflies – each generation passing the torch of the European journey to the following one – or, more positively, agriculture and forestry: the country presiding over the EU "reaps what others have sowed and sows what others will reap", as European MP Alain Lamassoure recently put it².

Moreover, as is the case for the patient farmer with the weather, the success of a particular EU presidency is largely dependent on factors beyond its control. First, the EU has its own political rhythm, and a presidency has no choice but to make the best of a largely pre-determined agenda. It cannot, in other words, pick its own winning issues. In 2000, for example, the previous French presidency had to oversee the final step of a painful and complex institutional reform process concerning future enlargements and deliver a treaty. It resulted in the Nice Treaty, described as a "half-success"³.

Second, the international scene can be conducive to European cooperation, or it can be divisive – as the Iraq war proved to be, for example. The particular political landscape prevailing in each European capital during these fateful six months plays a crucial role as well. In June 2007, German Chancellor Angela Merkel was able to pull off an agreement to salvage the Constitutional Treaty thanks not only to her skills, but also to the election of Nicolas Sarkozy in May. Had Ségolène Royal, Sarkozy's socialist rival, been elected, France would not have agreed to a downsized version of the Constitutional treaty to be ratified through Parliament – rather than through a dangerous referendum. In turn, the German presidency wouldn't have been able to achieve the major success it netted, which resulted in the Lisbon Treaty signed under the Portuguese presidency (December 2007).

That said, the "power to persuade" other member states is not insignificant either. The country holding the presidency of the EU can make a difference, if it clearly enunciates its objectives and invests in systematic negotiations with the 26 other member states. Additional lessons from the 2007 German presidency, as drawn by researchers from the SWP⁴, include the importance of an impartial presidency, which is always harder for a major country than for a smaller one; domestic unity of purpose, which was not the case in 2000 when France at that time had a divided government (*cohabitation*); and a deep personal commitment of the top leadership – followed by a dedicated and able team of advisers – to succeed.

¹ Richard E. Neustadt, *Presidential Power, the Politics of Leadership*, New York: Wiley, 1960, p. 9. Emphasis in the original.

² Alain Lamassoure, "Le grand retour de la France en Europe," interview with *La Revue Internationale et Stratégique*, No 69, Spring 2008, p. 147.

³ Christian Lequesne, "The French Presidency. The half success of Nice", *Journal of Common Market Studies*, Vol. 39, September 2001.

⁴ See Daniela Kietz, Volker Perthes (ed.), *The Potential of the Council Presidency, An Analysis of Germany's Chairmanship of the EU, 2007*, SWP Research Paper 2008/RP 01, January 2008, available at http://www.swp-berlin.org/en/produkte/swp_studie.php?id=8619&PHPSESSID=c7c5a59394532314374891f8939aefbd

Before getting to the priorities of the French presidency and gauging its chances of success, let's first have a look at the cards France is likely to be dealt on July 1, from an international, and then an institutional, perspective.

Setting the scene: the international situation, July – December 2008

While no one can predict which events and crises will dominate the international landscape in the second half of 2008, it seems safe to say that this period is unlikely to be calm. The country holding the rotating presidency of the European Council becomes the voice of Europe, and along with the High Representative for Common Security and Defense policy (Javier Solana) and the Commissioner for External Relations (Benita Ferrero-Waldner), it tries to find a common ground on major issues, from crisis situations to the EU negotiating position in international conferences.

An excellent example is the current debate over participation – or non-participation – of Nicolas Sarkozy and other heads of state in the opening ceremony of the Beijing Olympic Games on August 8 – and more broadly over the question of Tibet. Sarkozy has insisted he would try to find a unified EU position, and although the opening of talks between Beijing and representatives of the Dalai Lama might facilitate his quest, for now, European capitals remain divided. France will also have to deal with the current financial turmoil, including the high exchange rate of the euro against the dollar which hurts EU exports (but on which the presidency has no or little leverage) as well as high oil prices and the food crisis. The end of the Bush administration and the beginning of the transition period in Washington might also distract America and open a window of opportunity for potential trouble-makers around the world.

The advantage for France and other big member states lies in the availability of large diplomatic resources, which can be put to the service of the EU. On the other hand, these big countries have a wider array of national interests in the world and often have positions of their own which are not always shared by other member states. This can create a possible conflict of interest between their position as President of the European Council and their national preferences.

- On Iran, for example, since 2003 France has consistently taken a harder line than its partners, especially Germany and Italy. If the crisis over Iranian nuclear facilities escalates in the summer or the fall, Paris will have to find acceptable common ground between its own inclinations and the more moderate views of Berlin, Rome, and possibly London.
- Another example of this type of dilemma is Turkey. While Nicolas Sarkozy is opposed to eventual membership of Ankara in the EU, preferring a far-reaching "privileged partnership", he has been obliged to renounce his earlier campaign promise to put an abrupt end to accession negotiations. Instead, he accepted a compromise in order to avoid jeopardizing his standing among other EU member states – a move which has preserved his credibility as a future president of the EU while hurting his standing at home among certain constituencies⁵.
- A third example is the "Union for the Mediterranean", another pledge from the 2007 presidential campaign. Nicolas Sarkozy's plan was to set up a new organization to promote concrete projects and foster dialogue among states bordering the Mediterranean Sea – a major geopolitical flashpoint. France received endorsements from Italy and Spain, among others, but Germany objected to the project, claiming it was redundant with the EU Barcelona process and risked increasing regional

⁵ For more on French-Turkish relations, see my contribution "Slamming the Sublime Porte ? Challenges in French-Turkish Relations from Chirac to Sarkozy", 28 January 2008, available at http://www.brookings.edu/papers/2008/0128_turkey_vaisse.aspx

polarization by excluding Northern states of the EU (although the project was no different from the "Council of the Baltic Sea States" set up by Germany in 1992 which excluded the Southern states of the EU.⁶) In order to improve French-German cooperation, which had been strained in the previous months, and pave the way for a more serene French presidency of the EU, Nicolas Sarkozy agreed at a March 3, 2008 meeting with Angela Merkel in Hanover, to scale down his project and fold it into the existing Barcelona process. The "Union for the Mediterranean" will be launched on July 13, 2008, in Paris, with all 27 EU member states. It is expected that the European Union will invest some \$25 billion into cooperation with non-EU Mediterranean countries until 2013⁷. It remains to be seen, however, if this new impulse given to EU Mediterranean policy, especially in the form of concrete projects and public-private partnerships, will be able to overcome the traditional obstacles which have marred the Barcelona process since its inception – namely, diplomatic quarrels (Algeria vs. Morocco, or Arab states vs. Israel) and autocratic rule.

This last issue demonstrates how important relations with other member states are for the country holding the presidency. And as far as France is concerned, no relationship is more crucial than that with Germany. This relationship has been somewhat strained in 2007 and early 2008, due to a number of factors. Sarkozy's style has been an irritant, as he was seen as stealing the show from Angela Merkel for the deal on a modified treaty in June 2007 and the liberation of Bulgarian nurses from Libya in July. More generally, Sarkozy has been criticized for failing to consult with Germany early or often enough. Criticism of the EU Central Bank (ECB) and its monetary policy from the Elysée has not been well received in Berlin, where this issue is seen as beyond the reach of politics. And tensions over the Union for the Mediterranean project only added to existing strains. But in recent months, as symbolized by the compromise reached in Hanover on March 3rd, Paris has made a concerted effort to improve ties with Germany. There are certainly remaining issues of disagreement, such as the role of nuclear energy, but the relationship between Paris and Berlin is no longer dysfunctional, and this bodes well for the French presidency⁸.

In Rome, Nicolas Sarkozy finds a new ally in Silvio Berlusconi, the recently re-elected Italian Prime Minister. Whether it is immigration reform, the protection of European firms from unfair competition, or even the call to the ECB for a more relaxed monetary policy, Sarkozy and Berlusconi see eye-to-eye on many issues.⁹ In Madrid, Sarkozy also finds an ally on most subjects, such as immigration where the recent toughening of José Luis Zapatero's stance draws him closer to Sarkozy after their past quarrel on this issue. And even if some areas of disagreement with London remain, for example on the Turkish candidacy or the degree of "autonomy" for European defense, Nicolas Sarkozy is also hoping to enlist the support of Gordon Brown on most issues. Furthermore, Paris has taken steps to establish better ties with Eastern Europe, Poland in particular, including offering Ukraine an upgraded "neighbourhood policy" package which will be concluded at the EU-Ukraine summit of September 2008.¹⁰ Indeed, Poland has recently sounded much more open to giving a new impetus to European defense – one of Sarkozy's priorities – whether on the institutional side¹¹ or on the operational side, by its participation in the European force in Chad to protect refugees from Darfur.

To conclude on the international landscape, it should be noted that no new initiative or breakthrough is to be expected with regard to Transatlantic relations, due to the political

⁶ On the Council of the Baltic Sea States (CBSS), see <http://www.cbss.st/>. France, as well as Italy and the UK, among others, finally got an "Observer" status after seven years.

⁷ See Euractiv.com, "Summit approves 'Union for the Mediterranean'", 14 March 2008, available at <http://www.euractiv.com/fr/elargissement/sommet-approuve-union-mediterranee/article-170987>.

⁸ Cécile Calla, « Nicolas Sarkozy veut raviver la flamme du couple franco-allemand », *Le Monde*, 2 May 2008.

⁹ See Federiga Bindi "Toward a Full-Fledged Democracy: Why Progressives should be happy about the Italian election results", Spring 2008, available at http://www.brookings.edu/papers/2008/spring_italy_bindi.aspx

¹⁰ Nathalie Nougayrède, "La France regarde vers l'Est et plaide pour l'Ukraine en Europe", *Le Monde*, 29 April 2008.

¹¹ See Judy Dempsey, "Poland Calls for Stronger EU Military", *International Herald Tribune*, 24 April 2008.

situation in Washington. It is a widely observed rule not to spend diplomatic capital with a lame duck administration. And starting November 5th, 2008, the McCain or Obama transition team will be busy with more pressing issues than the ones dealt with by the EU. The only way the French presidency of the EU relates to America is through Sarkozy's plan to bolster European defense and, provided it is the case, have France fully rejoin the integrated military structure of NATO in 2009, as will be explained below.

Setting the scene: the institutional situation, July – December 2008

France will be the last big country to hold the rotating presidency of the EU with its full array of responsibilities before the rules change. Starting in 2009, a new office will be inaugurated, that of "President of the European Council", a personality elected by the 27-member Council for two and a half years (renewable once) who will be in charge of the Council's work and of being the "face of the EU" in the international arena. The 6-month rotating presidency among member-states will not disappear, but it will lose some of its power, to the benefit of greater stability and improved logistics and coordination for the EU. Another innovation will be the strengthening of the "High Representative of the Union for Foreign Affairs and Security Policy", a position currently held by Javier Solana. By merging this existing position with that of the European Commissioner for external relations (currently Benita Ferrero-Waldner), he or she will become vice-President of the European Commission as well as chair of the Foreign Affairs Council at the Council of Ministers. This enhanced position of High Representative will be further reinforced by the setting up of the "European External Action Service", in other words an EU diplomatic corps, and the gradual deployment of these Euro-diplomats around the world.

All of these innovations, however, depend upon the ratification of the Lisbon Treaty by all 27 member states. And while there is good hope that, unlike in 2005 when France and the Netherlands rejected the Constitutional treaty through referendums, no country, this time, will prevent the implementation of the much-needed changes (which include many other aspects¹²). Nevertheless there is still a chance that it could go awry. The main worry is Ireland, who will hold a referendum on June 12. Another worry is the UK, even though the Treaty cleared the House of Commons on March 11 and is expected to clear the House of Lords on June 11. A constitutional challenge in Germany could result in delaying its adoption, and there may be unforeseen bumps along the road.

The issue of ratification of the Lisbon treaty impacts the French presidency in two important ways.

First, it prevents Nicolas Sarkozy from making bold statements of purpose or even taking bold public initiatives as long as the 27 members have not yet ratified the treaty, out of fear that this could antagonize public opinion or parliaments and lead to a rejection of the treaty altogether. This is especially true for any proposed reinforcement of European defense, which is one of the priorities for Paris, but which remains a sensitive issue in Ireland – still a neutral country – and in the UK, where Atlanticist Euro-skeptics abound. Indeed, any discussion with Gordon Brown will have to wait until full ratification of the treaty. Once London and Dublin have ratified the treaty, there will be more breathing room, but it won't be before the late Fall – i.e. the end of the French presidency – that countries like Finland, Sweden or the Netherlands will ratify the treaty – and this will certainly affect France's ability to break new ground.

Second, France will have to prepare the implementation of a not-yet-ratified treaty, supposed to enter into force on January 1st, 2009, without being the country holding the

¹² See an executive summary of these changes by the Fondation Robert Schuman, "Understanding the Lisbon Treaty in 10 fact sheets", available at <http://www.robert-schuman.org/tout-comprendre-sur-le-traite-de-lisbonne.php?r=1>

presidency in the first or the second semester of 2009 (it will be the Czech Republic and then Sweden, both countries with which France is working as a "trio" on the implementation of the Lisbon Treaty and other shared priorities). This will force Paris to act largely behind the scenes to solve the many pending issues on how, exactly, to implement a text which was the result of difficult negotiations and hence often purposefully vague.

Even though the election of the President of the Council and the new High Representative will happen in 2009, it is hard to imagine that these highly publicized issues – which were designed in part to create interest among public opinion by personalizing the EU process – won't be discussed during the French presidency. Who will replace Javier Solana as High Representative? And who will be elected "President of Europe", thus finally answering Henry Kissinger's famous question about Europe's phone number? Names have circulated, including that of Tony Blair, Bertie Ahern, Carl Bildt, Jean-Claude Juncker and Angela Merkel. The process and the agenda remain, of course, very unclear at this stage. If ratified, the Lisbon Treaty will enter into force on January 1, 2009. However, since there are European elections in June, it might be best to wait to designate the President and, in particular, the High Representative, who will be sworn in by the Parliament, until July, so as to start with fresh new teams in all EU bodies. Many other important, if less grandiose, institutional changes, will have to be discreetly prepared by the French presidency, like the External Action Service, or the "permanent structured cooperation," which brings us to the first priority of the French presidency, European defense. Next week we will present the four priorities of Paris and we will try to estimate the success chances of "Sarkozy the European".

Priority Number 1: European defense

"European Defense and Security Policy", known by its acronym ESDP, will celebrate its 10th birthday during the French presidency of the EU, so it might be useful to remind the reader of what was accomplished in the past decade before getting to Sarkozy's plans. ESDP was launched at Saint-Malo on December 4, 1998, when Tony Blair and Jacques Chirac decided that the EU should have a "capacity for autonomous action, backed up by credible military forces". In less than 10 years, ESDP has gone from non-existence to running more than 20 operations abroad, most primarily civilian in nature but also at least 5 involving combat troops¹³ – Indeed, ESDP represents a "revolution" of sorts for a continent more used to providing the world with wars than with stability¹⁴. The latest operation in Chad, which aims at securing the border and refugee camps for Darfuris, is headed by an Irish general and includes sizable contingents of Polish, Swedish and Austrian troops, with the bulk of the force being comprised of French personnel. As this example shows, ESDP is not about the traditional, territorial defense of Europe (that is still the ultimate responsibility of individual states and of NATO), Rather, ESDP is about giving the EU the ability to contribute to global stability and ensure its own security, by intervening anywhere in the world, including in non-permissive security environments or without the help of NATO if America cannot or does not wish to be involved.

Nicolas Sarkozy has mentioned the strengthening of European defense as one of the main priorities of the French presidency of the EU. "Given the scale of the threats and crises facing us," said Sarkozy, "the development of a European Defense is a strategic

¹³ See Christopher Chivvis, *Birthing Athena. The Uncertain Future of European Security and Defense Policy*, IFRI Security Center, March 2008, available at http://www.ifri.org/files/Securite_defense/Focus_strategique_5_Chivvis_PESD.pdf

¹⁴ See Seth G. Jones, *The Rise of European Security Cooperation*, New York: Cambridge University Press, 2007, and Jolyon Howorth, *Security and Defence Policy in the European Union*, London: Palgrave, 2007.

necessity.”¹⁵ But there are two main obstacles to this. The first is the suspicion that ESDP would somehow be built against NATO in a sort of zero-sum game – and most members of NATO are wary about antagonizing America on this. The second, more important, obstacle is about capacity. Most Europeans just don’t pay enough for their security. As Sarkozy has said, the British and the French defense budgets “amount to two-thirds of the total defense budgets of the other 25 members of the Union and our defense research budgets are twice the size of theirs. [...] We cannot continue with four countries¹⁶ paying for the security of all the others.”¹⁷

Nicolas Sarkozy has a plan in mind to overcome these two obstacles. First, he needs to reassure European partners that ESDP and NATO are in no way competitors. For this, he has already moved closer to Washington and even indicated that France would fully reintegrate into NATO’s integrated command, which De Gaulle left in 1966, if progress was made on ESDP. Said Sarkozy: “I hope that in the coming months we will move forward toward a strengthening of European Defense and the renovation of NATO, and thus its relationship with France. The two go hand in hand: an independent European Defense and an Atlantic organization in which we play a full role.”¹⁸ No one is better placed than Washington to vouch for ESDP, and this is precisely what Sarkozy got in exchange for his moves – first from the US Ambassador to NATO in February 2008 (“Europe needs a place where it can act independently, and we need a Europe that is able and willing to do so in defense of our common interests and values. [...] An ESDP with only soft power is not enough.”¹⁹) and then from George W. Bush himself at the Bucharest summit (Bush declared that EU should be a strong and effective actor on the international scene – including on security issues). Sarkozy’s three-step project is to clarify French defense policy (that’s the aim of the *White Paper* exercise which should be completed in June²⁰), launch ideas and initiatives for ESDP during the French presidency, and negotiate the final aspects of French full reintegration into NATO’s military command structure with the new American administration, in time for NATO’s 60th birthday summit in Strasbourg and Kehl in 2009. (It will be easier, from a domestic point of view, to announce France’s new status under an Obama or even a McCain administration than under the current Bush administration).

Whereas the first obstacle is of a political – and largely symbolic – nature, the second one, about capacities, is much more serious and harder to tackle. Once EU partners are reassured that ESDP and NATO are indeed mutually reinforcing, how can France persuade them to spend more on defense? The general idea is to set binding goals, not unlike the economic ones set in the Maastricht treaty for the creation of the euro in the 1990’s. More specifically, France would work to establish a “permanent structured cooperation” on defense, an institutional innovation provided for by the Lisbon Treaty. But instead of having just a small group of committed member states with rigid rules of participation (criteria like ratio of defense spending to GDP, investment in military R&D...), this permanent structured cooperation would welcome binding commitments of all interested states. It would still set ambitious goals and objectives, but they would be *à la carte* rather than *au menu*, so as to welcome the efforts of smaller or less affluent states – particularly from Eastern Europe.

¹⁵ Nicolas Sarkozy, ‘Speech to the Diplomatic Corps on the occasion of the New Year’, Paris, 18 January 2008, http://www.elysee.fr/documents/index.php?mode=view&lang=fr&cat_id=7&press_id=909.

¹⁶ Sarkozy is adding Germany and Italy.

¹⁷ Speech by Nicolas Sarkozy at the opening of the fifteenth Ambassadors’ Conference, Paris, 27 August 2007, http://www.elysee.fr/elysee/elysee.fr/anglais/speeches_and_documents/2007/speech_at_the_opening_of_the_fifteenth_ambassadors_conference.79296.html

¹⁸ *Ibidem*

¹⁹ U.S. Ambassador to NATO Victoria Nuland’s Speech in Paris, 22 February 2008, <http://nato.usmission.gov/Article.asp?ID=21A35613-E9D6-431D-9FD5-36FDD1389EBO>

²⁰ On the White Paper on Defense and National Security, see Letter of engagement from Nicolas Sarkozy to Mr. Jean-Claude Mallet, Paris, 31 July 2007, http://www.elysee.fr/elysee/elysee.fr/anglais/speeches_and_documents/2007/white_paper_on_defence_and_national_security_letter_to_m_jean-claude_mallet_member_of_the_conseil_d_etat.79322.html, and the analysis by Christopher Chivvis and Etienne de Durand, “Political and Strategic Consequences of the French White Paper”, CUSE Analysis, 28 March 2008, http://www.brookings.edu/papers/2008/spring_france_chivvis.aspx

What are the other objectives of the French presidency in the area of defense, on top of this new “permanent structured cooperation”? First, there is a laundry list of badly needed capacity improvements, which can be achieved through the pooling of resources or the creation of common dedicated budgets, most notably on combat helicopters, on strategic lift (the first A400-M aircrafts will be delivered to EU countries only in the early 2010’s) and spatial capacity. France will also try to enhance common EU arms procurement, which remains the exception rather than the rule, through the European Armaments Agency. It should also launch a European exchange program for officers, at least early in their career, a sort of “military Erasmus” (from the name of the famous EU student exchange program). The European Security Strategy, a document dating back to 2003²¹, may be amended to take into account recent changes. France also wants to improve ESDP planning capacity, which is the subject of paranoid analysis by anti-European observers who claim this will do nothing short of bringing down NATO – something even the USSR could not do²². Actually, the real issue is not to duplicate SHAPE (NATO’s headquarters) and its thousands of officers, but rather to help transition from general strategic planning, done in Brussels by the EU Military Staff, to operational planning, done by the “framework nation” chosen for an operation (when NATO assets are not used for this operation), by adding a few more officers in Brussels.

It is precisely in keeping with this pragmatic line that Nicolas Sarkozy, Bernard Kouchner, the foreign minister, and Jean-Pierre Jouyet, the minister for European affairs, are planning to take steps to improve relations between NATO and the EU (ESDP). The problem now is that this relationship is either dysfunctional (at the political level – the Berlin Plus arrangements have been hampered by the Turkish-Cyprus dispute), or non-existent (at the operational level – in Afghanistan or Kosovo). As a first installment and sign of good will, Jean-Pierre Jouyet will address the North Atlantic Council, NATO’s Supreme political body, to present France’s priorities for its presidency with respect to ESDP. Bernard Kouchner will also convene a NATO-EU workshop in Paris, along with Javier Solana and Jaap de Hoop Scheffer, Secretary General of NATO, in order to explore the best ways to remedy that situation.

At the end of the day, there is no doubt that Nicolas Sarkozy will be attacked both at home for giving in too much to NATO and America, without getting enough in return with respect to ESDP, and abroad for over-selling France’s return into NATO’s integrated structure and being “a Trojan horse designed, ultimately, to destroy the Atlantic Alliance from within.”²³ Maybe these twin exaggerations will serve to confirm he is on the right path.

Priority Number 2: Energy and climate

A second priority for the French presidency is energy and climate change, including reduction of European greenhouse emissions in order to combat global warming, diversification of sources of energy, and greater security in energy supplies across Europe.

Here, the important deadline is the United Nations conference on climate change to be held in Copenhagen in December 2009 – a sequel to the 2007 Bali Conference. In order for the EU to be ready, and to be able to play the leadership role it aspires to on this

²¹ See <http://www.consilium.europa.eu/uedocs/cmsUpload/78367.pdf>

²² See for example Nile Gardiner, Ph.D., “The Bucharest NATO Summit: Washington and London Must Not Give in to French Demands”, Heritage Foundation *WebMemo* #1863, 24 March 2008, <http://www.heritage.org/Research/Europe/wm1863.cfm>, “The French EU Presidency 2008 – what to expect”, Open Europe *Briefing Note*, 14 April 2008, <http://www.openeurope.org.uk/research/frenchpresidency.pdf>, or Soeren Kern, “France Wants to Join NATO to Ease the Way for European Defense”, *World Politics Review*, 23 April 2008, <http://www.worldpoliticsreview.com/article.aspx?id=1986>

²³ Soeren Kern, *op. cit.*

issue, it has to put its own house in order as quickly as possible. The European Council adopted an ambitious “2020 plan” under the German presidency in March 2007: to reduce greenhouse gas emissions by 20% (from 1990 levels), decrease primary energy use by 20%, and increase the use of renewable energy sources (now at 8.5% of the energy mix) to 20% – all by the year 2020. On January 23, 2008, the European commission put forward a proposal for a directive – i.e. a binding EU law once it is adopted – setting the percentage of renewable energies each member state should reach for 2020, and also outlining an extension of the Emissions Trading Scheme (ETS), the EU’s system of pricing carbon dioxide emissions. This proposal is currently being negotiated among states, and the French presidency hopes to build on the work of the current Slovenian presidency and reach an agreement by the end of the year, so as to clear the path for a vote in the European Parliament before the Copenhagen conference²⁴.

This will not be an easy feat, as there is no shortage of policy disagreement²⁵.

- For example, it is a matter of debate whether biofuels, even second-generation ones, should be encouraged – as the EU Commission suggests – both in light of the food crisis and the contested results in emission of greenhouse gases²⁶.
- Some member states disagree with the objective they are given, starting with France itself. When Nicolas Sarkozy was elected, he pledged that France would increase the share of renewable energies to 20% in its mix by 2020, from a current level of 10.3%. The Commission, however, set the bar at 23%, so as to offset lower results by newer, and less rich, member states. The German auto industry has also voiced its discontent with Commission standards.
- Another underlying issue is nuclear energy and whether it should be considered and counted as a “clean” energy. France gets close to 80% of its electricity from its nuclear program, and this explains why its CO2 emissions are significantly lower than that of comparable economies. While France’s promotion of nuclear power is supported by some member states, like the UK, others like Austria and Germany – both of whom have discontinued their own nuclear program – see things very differently.
- One last controversy has do with the reinforcement of the Emissions Trading Scheme: while some industries fear it will lead to a loss of competitiveness vis-à-vis extra-EU industries and will force them to outsource their activities, countries like France have suggested leveling the playing field by imposing taxes on products from places where no effort is made to reduce climate change. According to Jean-Pierre Jouyet, “If there is an inequality in efforts between Europe, the US, Russia and major emerging economies, the ecological cost will have to be re-integrated into the economic exchanges with our partners. We will be extremely firm on this point.”²⁷ Many warn that it will lead to a form of dangerous protectionism, while others consider such a measure the only way to achieve global progress without endangering Europe’s industrial base.

With regard to energy, the French presidency will also have to deal with security of supply, especially with heightened concern over rising prices and fears that current energy sources are not sufficiently diversified and could be threatened by geopolitical instability and political pressure from Russia. The basic reality to keep in mind is that the energy mix of EU member states varies widely from one country to another. Take Russian gas: it represents 100% of gas consumption in Finland or the Baltic countries,

²⁴ See speech by Jean-Pierre Jouyet at the Major Economies Meeting on Energy, 17 April 2008, <http://www.rpfrance.eu/spip.php?article868>

²⁵ See the good analysis by Euractiv, “Les Etats membres souhaitent adopter le paquet « énergie-climat » lors de la Présidence française de l’UE”, 17 March 2008, <http://www.euractiv.fr/energie/article/etats-membres-souhaitent-adopter-paquet-energie-climat-presidence-francaise-000740>

²⁶ Euractiv, « Commission scientists blast EU biofuels policy », 18 January 2008, <http://www.euractiv.com/en/transport/commission-scientists-blast-eu-biofuels-policy/article-169668>

²⁷ Jean-Pierre Jouyet, speech to the Assembly of French Expatriates, Paris, 6 March 2008.

but 0% in Spain and Portugal (and 25% on a misleading EU average). This situation explains why an EU integrated strategy for energy security is hard to achieve.

In April 2008, Claude Mandil, former executive director of the International Energy Agency, presented a report on EU energy security to the French Prime Minister, which will serve as policy guidance for the French presidency²⁸. The main conclusion of the Mandil report is that energy security begins at home. In other words, it will be best ensured by stepping up efforts at reducing energy consumption; setting up emergency supply capacities; building LNG terminals; investing in non-carbon sources of energy, including nuclear power; and even more importantly, inter-connecting the various European gas and electricity networks which remain compartmentalized and make EU solidarity almost impossible. These internal responses will in turn facilitate relations with suppliers, and in particular Russia. Instead of having a schizophrenic policy of asking Russia for both more gas and more compliance with EU political preferences, it is better to unilaterally decrease dependency, increase intra-EU energy solidarity, and accept that Russia is a sovereign country with which relations should be put on a more normal, equal-to-equal footing. Similarly, in the Caspian region, European energy projects like the Nabucco pipeline will not be realized by excluding Russia, but rather through cooperation of some sort with Moscow.

Priority Number 3: Agriculture

While no EU policy has drawn more criticism than the Common Agricultural Policy (C.A.P.), and while no country has been singled out for criticism more than France, it now appears that the French presidency of the European Council – and the long-scheduled review or “health check” of C.A.P. for 2008-2013– will happen under dramatically changed international circumstances. Like energy, food has gone from abundance and depressed prices for producers to scarcity and rising prices for consumers worldwide, and concerns about food security have re-emerged. This new context does not abolish some of the traditional problems associated with C.A.P., and it certainly pleads in favor of lowering agricultural subsidies and updating the whole system. But at the very least, it provides a long-term rationale for maintaining and adapting a policy whose existence has been questioned, but which has resulted in the preservation of strong agricultural capacities in Europe.

Nicolas Sarkozy’s goal for the French presidency is to start building consensus on a long-term perspective. At the current time, C.A.P. is agreed upon and funded until 2013, with marginal adaptations due following this year’s “health check”. But what comes after needs to be debated and decided long in advance. The French president intends to suggest new ideas for a post-2013 PAC based on four objectives²⁹. First, food security (in terms of constant supply and good sanitary conditions) for the 400 million European consumers. Second, a positive contribution from Europe to global food security – especially now that supply is lagging. Third objective, to contribute positively to the fight against climate change and a better environment. Last but not least, to protect European landscapes and *terroirs*.

But among Sarkozy’s favored ideas, it is the “community preference” in agriculture that has been the most criticized for amounting to hidden protectionism and potentially jeopardizing talks at the WTO. Sarkozy sees the concept as leveling the playing field: it is of no use to impose harsh sanitary and environmental regulation on European farmers if relaxed standards are accepted from importers, and he will be pushing the idea during

²⁸ “Rapport Mandil”, 21 April 2008, available in French at http://www.premier-ministre.gouv.fr/IMG/pdf/8-04-21_Mandil_Rapport_au_Premier_ministre_final.pdf

²⁹ Speech by Nicolas Sarkozy at the 45th Agriculture Fair in Paris, 23 February 2008, http://www.elysee.fr/download/?mode=press&filename=Discours_agriculture.pdf

the French presidency. This idea of community preference and declarations by Agriculture Minister Michel Barnier favoring EU domestic production have elicited strong reactions. "Autarky is not the future. We are not aiming at a closed market where we are self-sufficient," said a spokesman for Agriculture commissioner Mariann Fischer Boel, pointing to the risks of retaliation and the trade surplus the EU is running³⁰. These ideas, however, seem to be gaining strength among EU member states, in a new context where food security is getting more important in the eyes of public opinion.

At this stage, it is hard to tell in which direction Sarkozy will go during the French presidency. Whereas he had given hints that he might favor a substantial reduction of subsidies to farmers in order to "decrease their dependency" and restore their traditional independence and self-reliance, his position on "community preference" points to less confidence in the global market, not more. And the new international context is making predictions harder: current tensions both call for decreasing subsidies, in order to spur competition, and for keeping an interventionist system in place, in order to make sure Europe remains an actor in the food market in the long term.

Priority Number 4: Immigration

Among the four priorities of the French presidency, immigration, which is usually a divisive issue, is now probably the most consensual. The climate in Europe has clearly changed in recent years, and all countries seem to be implementing more restrictive policies, the latest being the Socialist government of José Luis Zapatero – who in 2005 had clashed with Nicolas Sarkozy (then Minister of the Interior) when Spain decided to grant amnesty to all illegal immigrants – and the right-wing party of Silvio Berlusconi in Italy with its controversial measures to control illegal immigrants and the Roma population. This general European trend in favor of more stringent immigration laws is explained by several years of growing tensions, both economic and cultural, between public opinion and recent immigrants, and the election of many conservative governments who have run on platforms hostile to migrants.

In preparation for the French presidency, Immigration Minister Brice Hortefeux has been touring the capitals of Europe to build up consensus for a "European Immigration and Asylum Pact" to be adopted on October 15 during a European council in Brussels. The pact would consist of a set of general principles, while details and concrete measures would be adopted afterwards – similar to the process successfully used by Germany for energy policy in 2007³¹. The main objectives are:

- An asylum policy that would be common to all 27 countries. As Nicolas Sarkozy puts it, "My wish is that when one country in Europe decides to say no [to an applicant], all of them say no. And when one country in Europe says yes, all 27 say yes. Otherwise why bother constructing Europe if we are unable to carry out the same values, the same principles, [embodied in] the same immigration policy?"³² This objective will still require a harmonization of divergent cultures and approaches in terms of political asylum.
- Increased cooperation to fight illegal immigration, which supposes similar practices in terms of visa delivery – and expulsions as well.

³⁰ See Andrew Bounds, "EU rejects call to limit food imports", *Financial Times*, 29 April 2008, http://us.ft.com/ftgateway/superpage.ft?news_id=fto042820081444231215&page=2

³¹ Euractiv, « France hopeful on EU immigration deal », Euractiv.com, 11 April 2008, <http://www.euractiv.com/en/opinion/france-hopeful-eu-immigration-deal/article-171541>

³² Speech by Nicolas Sarkozy before the Parliament of Romania, Bucharest, 4 February 2008, http://www.elysee.fr/documents/index.php?mode=view&lang=fr&cat_id=7&press_id=1006

- Increased border surveillance and solidarity with countries on the Mediterranean “frontline”.
- A streamlined organization of legal immigration better suited to the state and the specific needs of the European Union. One objective is to get to a single procedure for the application of residence and work permits, and more generally facilitate the influx of high-skilled workers, maybe in the form of a European “Blue Card” comparable to the American Green Card.³³
- Increased efforts in development aid for countries of emigration.

Challenges ahead for « Sarkozy the European »

Does France have the ingredients to succeed in its 12th presidency of the European Council since 1957? If we get back to the checklist established by the SWP after the German presidency of 2007, it seems to be mostly in good shape. It does have clearly enunciated objectives – as well as an awareness of the biggest challenge for the EU, namely the ratification of the Lisbon Treaty and the preparation of its implementation, for which some restraint, rather than wild activism, is called for. Paris has engaged in systematic negotiations with the 26 other member states on key issues. It does have unity of purpose, with a strong executive – not a *cohabitation* government. And it does have a strong team of experienced operatives: Bernard Kouchner, Jean-Pierre Jouyet, and also Jean-David Lévitte at the Elysée. The last two conditions, impartiality of the presidency and deep personal commitment of the top leadership, however, are less clear-cut.

For France more than for any other country, the European construction presents a dilemma. On the one hand, it extends French reach and allows Paris to attain a critical mass. On the other hand, the deeper France integrates, the less French it becomes and the more compromises it needs to accept for a greater collective good. Nicolas Sarkozy was elected on a platform of ambitious measures to reform France – measures which, given the degree of European integration and interdependence, often need the acquiescence and sometimes active cooperation of 26 other member states to be fully implemented. So the temptation is to use the presidency to aggressively promote one country’s specific set of interests rather than act in the European interest, which is, however, the key to a successful presidency. In 2007, several points of tension have arisen between Paris and its European partners. Nicolas Sarkozy has criticized the ECB; he has aggressively pushed forward his Union for the Mediterranean project; he has developed the idea of a “protective Europe” which would do more to shield its citizens from the nefarious effects of globalization; and he has been ambiguous on the merits of economic competition – a founding principle of the European community.

To his credit, Sarkozy has taken steps to diffuse these tensions. He has made substantial compromises on the Turkish candidacy issue and on the Union for the Mediterranean, and he has toned down his criticism of the ECB. He has also taken steps to reverse Chirac’s constitutional change mandating a referendum to approve any EU enlargement – a potential time bomb (but the national Assembly has recently stated its intention to maintain a referendum for any country with a population larger than 5% of the EU – that is, Turkey, and maybe Ukraine in a distant future). And one should not forget that he started his mandate as “Sarkozy the European” – the man who provided the decisive impetus to help Germany solve the institutional crisis in June 2007, the man who invited troops from all EU countries to parade on the Champs-Élysées on Bastille Day (14 July) 2007 and had the *Ode to Joy* (the official EU anthem) played alongside the *Marseillaise*.

³³ Jean-Pierre Jouyet, speech to the Assembly of French Expatriates, Paris, 6 March 2008.

Still, Sarkozy's "European software"³⁴ remains to be fully tested in international and institutional conditions which might prove challenging. On a more personal level, it remains to be seen whether he will succeed in striking the right balance between activism, bluntness and assertiveness, his favorite stance, and the more modest, patient, and consensual leadership that the exercise of the EU presidency demands. For this, Sarkozy, as President of the European Council, will need to find his inner diplomat, and acquire the full spectrum of leadership skills that American presidents know as the power to persuade.

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³⁴ See Jean-Dominique Giuliani, *Un Européen très pressé*, Éditions du Moment, Paris, 2008.