

France: Germany's Indispensable Ally in European Policy-Making

Ulrich Krotz / Joachim Schild

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Abstract

This policy paper examines the importance of France and Franco-German bilateralism for Germany's power and influence (*Gestaltungsmacht*) in Europe, as well as for its ability to safeguard German interests in the context of European integration and EU affairs. This policy paper holds that, for the time being, France remains indispensable and irreplaceable as Germany's central foreign policy ally. In order to rejuvenate Franco-German bilateralism, and to translate it for twenty-first century European and international affairs, however, France will have to implement the necessary economic, political, and social reforms announced by its new president Emmanuel Macron in order to modernize and to re-energize the country. Germany, on the other hand, must reconsider its historical reluctance or outright refusal to take on more responsibility internationally—not least in foreign policy, security and defence.

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France: Germany's Indispensable Ally in European Policy-Making

Ulrich Krotz / Joachim Schild

Since the beginning of European integration, the Federal Republic of Germany has been France's primary ally in European policy-making. Robert Schuman's press conference on 9 May 1950—floating French plans for a European Coal and Steel Community and largely directed at Germany—was only the beginning. Reciprocally, France has been the Federal Republic's most important if not indispensable partner. Germany's *Gestaltungsmacht* (power or ability to shape trajectories and outcomes) in European affairs has rested in important part on the capacity to advance European negotiations and represent German interests, based on bilateral consultations and compromises with France.

Herbert Wehner's dictum that 'Without France everything comes to nothing'¹ succinctly expresses the outstanding importance of the special relationship with France for Germany's foreign and European policy. Along similar lines, Willy Brandt characterised this bilateral relationship as an 'entente élémentaire',²

whereas Helmut Schmidt and Valéry Giscard d'Estaing preferred the term 'privileged partnership'.³ Regardless, the Federal Republic could hardly have succeeded in pursuing its basic interests and central strategic objectives in opposition to France, or without French support. This holds true for an array of fundamental tasks, including the *Westbindung* (alignment with Western democracies); Germany's ability to move beyond its violent and destructive past through integration (the European project); the firm embedding of the Federal Republic in regional and global multilateral institutions; the overcoming of its counterproductive unilateralism in foreign policy; and the management and optimization of its limited national sovereignty. Germany has relied heavily on close cooperation with France as it attempted to prevent balancing behaviour against itself; pursued a respectable and responsible foreign policy; worked toward economic prosperity; and, prior to 1989, tried to keep the German Question open.

Thus, this policy paper examines the importance of France and Franco-German bilateralism for Germany's power and influence (*Gestaltungsmacht*) in Europe, as well as for its ability to safeguard German interests in the context of European integration and EU affairs. The paper proceeds as follows. The first section briefly reviews the central characteristics and institutions of Franco-German bilateralism. The subsequent part considers the role and impact of the special relationship in shaping European affairs, both over time and across some key policy areas. Section Three evaluates the importance and central challenges of

* This contribution draws from and builds upon previous common publications, particularly Ulrich Krotz/Joachim Schild: *Shaping Europe. France, Germany, and Embedded Bilateralism from the Élysée Treaty to Twenty-First Century Politics*, Oxford 2013; Ulrich Krotz/Joachim Schild: *Embedded Bilateralism: Die deutsch-französischen Sonderbeziehungen in Europa*, in: Sebastian Harnisch/Klaus Brummer/Kai Oppermann (eds.): *Sonderbeziehungen als Nexus zwischen Außenpolitik und Internationalen Beziehungen*, Baden-Baden 2015, pp. 289-312; as well as Joachim Schild: 'Ohne Frankreich ist alles nichts.' Frankreich als Partner der Zivilmacht Bundesrepublik, in: Sebastian Harnisch/Joachim Schild (eds.): *Deutsche Außenpolitik und internationale Führung: Ressourcen, Praktiken und Politiken in einer veränderten Europäischen Union*, Baden-Baden 2014, pp. 174-198; and Ulrich Krotz/Richard Maher: Europe's Crises and the EU's 'Big Three', in: *West European Politics* Vol. 39 No. 5 (2016), pp. 1053-1072. For a long-term perspective on the Franco-German relationship in Europe, see Ulrich Krotz: *Three Eras and Possible Futures: A Long-Term View on the Franco-German Relationship a Century after the First World War*, in: *International Affairs* 2/2014, pp. 337-350. For valuable editorial support, we thank Richard Maher and Sarah Tarrow.

1 Cited as 'Ohne Frankreich ist alles nichts.' in Helmut Schmidt: *Deutschland muss seinen Nachbarn und den Vereinigten Staaten ein berechenbarer und stetiger Partner sein. Einfühlen, nicht auftrumpfen*, in: *Die Zeit*, 29.4.1994.

2 Willy Brandt: Government declaration of the second Brandt/Scheel cabinet, January 18th 1973, in: *Presse- und Informationsamt der Bundesregierung*, Bonn 1973, A 88-6578.

3 On the various descriptive terminologies of the relationship, see Hélène Miard-Delacroix: *La notion de couple franco-allemand et sa mise en scène dans les sommets*, in: Stefan Martens (ed.): *L'Allemagne et la France. Une entente unique pour l'Europe*, Paris 2004, pp. 23-32, here p. 25.

the bilateral relationship after the end of the Cold War. Section Four specifically focuses on the challenges that the significant power shift between France and Germany poses for the functioning of the bilateral relationship and its role within Europe. Section Five evaluates the impact of the French presidential election and its potential to reinvigorate Franco-German relations. A brief concluding section draws together this paper's threads.

This policy paper holds that, for the time being, France remains indispensable and irreplaceable as Germany's central foreign policy ally. In order to rejuvenate Franco-German bilateralism, France must modernize and reenergize its economy. Implementing the necessary fiscal, social, and labour market reforms Macron has proposed is essential to that mission. Germany, on the other hand, must reconsider its historical reluctance or outright refusal to take on more responsibility internationally—not least in foreign policy, security and defence.

1. Germany, France, and 'embedded bilateralism'

To describe the special character of the Franco-German relationship and its particular role within Europe, we have coined the concept of 'embedded bilateralism'. Embedded bilateralism refers to the deeply rooted institutional nature of the bilateral relationship.⁴ This concept underlines the importance of formal institutions framing the Franco-German bilateralism, as well as the significance of established and routinized habits and norms of informal cooperation.

On the bilateral level, the term refers to the extraordinary extent to which governmental relations have been institutionalised, and to their foundation in formal and informal practices as well as in fairly stable mutual expectations. On the European level, this particular relationship is deeply entrenched in the institutional context of the EC/EU, which itself has gradually deepened over the past decades.

We consider Franco-German bilateralism to be a source of order and a stabilising element for multilateral European politics. 'Embedded bilateralism' represents a deepening of interstate relations 'below' and alongside the EU-Brussels level. The concept addresses the interrelationship between the bilateral connection and multilateral European project—of which this bilateral bond forms a constitutive part, and to the structuring of which it has strongly contributed.

The Franco-German 'embedded bilateralism' is characterised by an exceptionally dense network of institutions of intergovernmental cooperation.⁵ Table 1 provides an overview of these bilateral institutions and connections as they have developed over time based on the Élysée Treaty of 1963.

“This policy paper holds that, for the time being, France remains indispensable and irreplaceable as Germany's central foreign policy ally.”

⁴ For an elaborate account, compare Krotz/Schild: Shaping Europe, 2013, pp. 8-16.

⁵ The analytical concept of 'regularized intergovernmentalism' captures the particular form, density, and institutionalisation of the relations between governments and states. See Ulrich Krotz: Regularized Intergovernmentalism: France-Germany and Beyond (1963-2009), in: Foreign Policy Analysis 2/2010, pp. 147-185.

Table 1: Institutions of Franco-German governmental cooperation since 1963⁶

| Level/Institution of cooperation | Frequency of meetings |
|---|--|
| President and Chancellor | 1963 to 2000: at least twice a year in the context of the Élysée Treaty consultations; Since 2001: additional irregular and informal, so-called 'Blaesheim meetings', initially together with the foreign ministers; January 2001 to September 2014: 41 informal bilateral meetings |
| Foreign Ministers | At least 4 annual meetings according to the Élysée Treaty |
| Political directors in the foreign ministries | Monthly meetings according to the Élysée Treaty |
| Defence Ministers | At least 4 meetings a year according to the Élysée Treaty |
| Chiefs of General Staff | Every two months |
| Franco-German cabinet meetings since 2003 | 1-2 per year, 19 meetings between January 2003 and July 2017 |
| Intergovernmental consultations between 1963-2003 | Twice a year, 80 Franco-German summits in total between 1963 and 2003 |
| Commissioners for Franco-German Co-operation since 2003 | Irregular |

| | |
|---|----------------------|
| Federal Republic's representatives for cultural affairs under the Treaty on Franco-German cooperation | Irregular |
| Franco-German Defence and Security Council since 1989 | Usually twice a year |
| Franco-German Financial and Economic Council since 1988 | Usually twice a year |
| Franco-German Environmental Council since 1988 | Irregular |

This form of institutionalised interaction between the governments is underpinned by a dense network of frequently state-financed educational exchanges and cultural institutions of cooperation, such as the Franco-German Youth Office and the extensive network of more than 2200 twin towns between French and German municipalities (*jumelages/Städtepartnerschaften*).⁷ Furthermore, the bilateral relationship is often the object of symbolic celebrations in the form of rituals, common commemorations of the disastrous and bloody conflicts between France and Germany before 1945, and the achievements of reconciliation and successful cooperation since then.

The existence of common and complementary interests is not the sole foundation of the special character of Franco-German relations since 1945, however. Without a doubt, economic, security, status, and power interests were of fundamental significance to the emergence and subsequent dynamism of the relationship during the Cold War and thereafter.⁸ Yet, the connection also rests on solid historical and

⁶ Sources: Krotz: Regularized Intergovernmentalism, 2010; Krotz/Schild: Shaping Europe, 2013, Ch. 2; Élysée Treaty, available at: <http://www.france-allemande.fr/Institutionen,1131.html> (accessed on 8 March 2017).

⁷ See Ulrich Krotz: Parapublic Underpinnings of International Relations: The Franco-German Construction of Europeanization of a Particular Kind, in: European Journal of International Relations 3/2007, pp. 385-417; Krotz/Schild: Shaping Europe, 2013, pp. 75-113.

⁸ See Georges-Henri Soutou: L'alliance incertaine. Les rapports politico-stratégiques franco-allemands, 1954-1996, Paris 1996; Gilbert Ziebur: Die deutsch-französischen Beziehungen seit 1945. Mythen und Realitäten, Stuttgart 1997.

normative foundations that go beyond the immediate, narrowly defined national interests and cost-benefit calculations.

Thus, strong mutual expectations of cooperative behaviour and the taming of short-term maximisation of national interests have evolved between the two states. Reciprocal expectation in the sense of *do ut des*—giving and taking—are of a diffuse rather than a specific nature, embedded in the long history of cooperation and the comparatively high degree of mutual trust.⁹ Political elites take seriously the long(er)-term advantages and cohesion of the bilateral relations and emphasise their intrinsic value beyond instrumental day-to-day considerations. Frequently, France and Germany define positions in consideration of the neighbour's core interests rather than in isolation from them. In fact, the special bilateral relationship has developed into a core strategic element of France's and Germany's foreign and European policies, becoming part of the *raison d'état* for both states that holds across party-political divides.

Both countries, furthermore, share a fundamental conception of the role and function of the bilateral relationship for European integration and politics. This applies particularly to the mutual understanding of France and Germany as the 'engines' of the European integration project and, in the words of Alain Juppé, 'privileged guardians of European coherence'.¹⁰ Such an understanding implies the shouldering of particular responsibilities in the pursuit of compromises on the European level, especially during periods of crisis and decisive junctures in European politics.

The cooperative instinct rests on a wide consensus and is deeply ingrained in the political elites of both countries. The depth of the Franco-German

relationship and its manifold forms of cooperation have thus prevailed and proved highly resilient despite changes in governments, domestic crises, or structural changes in international relations.

2. France: Germany's partner in shaping European politics

In association with France and based on the bilateral connection, Germany has frequently played a major role in European integration and become a fundamental force shaping the Community and Union. Bonn/Berlin and Paris have repeatedly launched successful integration initiatives, acted together as agenda-setters in European affairs, put forward important institutional reforms and policy proposals, and served as mediators to foster compromises. They have exhibited considerable influence in specific EU policy fields.¹¹ Franco-German leadership and ability to shape trajectories and outcomes, however, have varied significantly across time and across policy fields.

The early foundational phase of the European Coal and Steel Community and the Treaty of Rome constituted the initial peak of their bilateral influence, or *Gestaltungsmacht*. France acted as the senior partner and assumed a proactive position (from the Schuman Declaration to the European Coal and Steel Community, and from the Plevin Plan to the European Defence Community); the young Federal Republic played the reactive junior part. This role allocation characterised Charles de Gaulle's and Konrad Adenauer's simultaneous tenures as French president and German chancellor, respectively. Germany supported the (failed) Fouchet Plan, which de Gaulle had advocated, and aimed at making Europe an actor in international relations—thus

9 On the differences between diffuse and specific reciprocity in international relations, see Robert O. Keohane: Reciprocity in International Relations, in: International Organization 1/1986, pp. 1-27.

10 Alain Juppé: Préface, in: Stephan Martens (eds.): L'Allemagne et la France: Une entente unique pour l'Europe, Paris 2004, pp. 9-10.

11 For an empirical overview, consult Krotz/Schild: Shaping Europe, 2013, pp. 114-231.

following and supporting France's initiative to deepen and formalise bilateral relations. Upon Adenauer's insistence, the bilateral relationship was codified in the form of an international agreement: the Élysée Treaty of 22 January 1963.

In the aftermath of the signing of the Élysée Treaty, however, the bilateral relationship deteriorated.¹² The ratification of the treaty in Germany proved difficult. It represented, in the view of 'Atlanticists' in the Bundestag, a clear choice to depart from the so-called 'sowohl als auch' ('as-well-as') tradition of avoiding sharply choosing sides between either the United States or France. The majority in the Bundestag decided to add a preamble to the treaty that explicitly underlined Germany's transatlantic bond. The addition of the preamble thwarted de Gaulle's grand strategy of a 'European Europe' as a balancing power to the United States and, in his eyes, emptied the treaty of its strategic *raison d'être*.

A deep rift and mutual estrangement characterized the relations between the executive branches of the two states, and the two countries' foreign and European policies drifted apart to an extent that has not been seen since then. During the remainder of de Gaulle's presidency, Germany could simply no longer rely on France's active support of Germany's European and transatlantic orientations, at least not on terms acceptable to the Federal Republic given its security dependence on the United States.¹³ Within the European project, acute tensions emerged between Germany's integrationist aspirations on the one hand, and France's search for national autonomy and sovereignty on the other. De Gaulle's repeated

rejection of the British membership applications (1963 and 1967) also ran diametrically counter to German interests.

After de Gaulle's resignation in 1969, the new President Georges Pompidou cleared the path for the first round of EC enlargement and, in close coordination with the Federal Republic, revived the stagnating process of integration, starting with The Hague Summit of 1969.¹⁴ What followed under Chancellor Helmut Schmidt and President Valéry Giscard d'Estaing was one of the most dynamic phases of Franco-German bilateralism in European affairs.¹⁵ The institutionalisation of the European Council of the Heads of State or Government, the introduction of direct elections to the European Parliament in 1979, and the creation of the European Monetary System in the same year were all lasting outcomes of their mutual appreciation and well-functioning cooperation.

Helmut Kohl's and François Mitterrand's simultaneous terms in office also enabled the Federal Republic, in close cooperation with France, to achieve central objectives of its European policy. These notably include the implementation of the plans to establish a European Single Market as ultimately enshrined in the Single European Act (SEA) (1987) and the abolition of border controls within the 'Schengen' Zone. France's support for both of these efforts was indispensable. Further, France and Germany have constituted the driving forces behind the plans for a currency union and the associated treaty reform process, which ultimately led to the 'Maastricht' Treaty on European Union (TEU).¹⁶

¹² See Zieburg: *Deutsch-französische Beziehungen*, 1997, Chapter XIII.

¹³ On the development of the political and strategic relations between the Federal Republic of Germany and France between 1954 and 1996, consult Soutou's seminal historical study: *Alliance incertaine*, 1996.

¹⁴ See Claudia Hiepel: *Willy Brandt und Georges Pompidou – deutsch-französische Europapolitik zwischen Aufbruch und Krise*, München 2012.

¹⁵ See Hélène Miard-Delacroix: *Partenaires de choix? Le chancelier Helmut Schmidt et la France (1974 -1982)*, Berne 1993; Michèle Weinachter: *Valéry Giscard d'Estaing et l'Allemagne: Le double rêve inachevé*, Paris 2004.

¹⁶ See Colette Mazzucelli: *France and Germany at Maastricht. Politics and Negotiations to Create the European Union*, New York 1997; Kenneth Dyson/Kevin Featherstone: *The Road to Maastricht. Negotiating Economic and Monetary Union*, Oxford 1999.

With the fall of the Berlin Wall, and the subsequent process of German reunification, the Franco-German relationship faced a major test.¹⁷ Ultimately, French worries and irritations were overcome by means of the time-tested model of German self-binding within Europe, in this case through the Treaty of Maastricht and particularly its core element—monetary union.

“Helmut Kohl’s and François Mitterrand’s simultaneous terms in office also enabled the Federal Republic, in close cooperation with France, to achieve central objectives of its European policy.”

However, new tensions and divergences soon surfaced during the 1990s. Against French resistance, Germany promoted the Eastern enlargement of the European Union as a strategic objective. During the negotiations of the Nice Treaty, the Schröder government pushed for a reform of the vote allocation in the Council of the European Union to account for the increased demographic and political weight of the reunified Federal Republic.¹⁸ This called into question the two states’ equal status, hitherto ensured and reflected by the parity of weighted votes.¹⁹ Still, during the negotiations on a Constitutional Treaty for the European Union at the European Convention of 2002/2003, during the subsequent intergovernmental conference of 2003/2004, and in the aftermath of the failure of the constitutional treaty in France and

the Netherlands in 2005, Germany and France again successfully assumed joint leadership to pave the way for the Lisbon Treaty.²⁰

Nevertheless, several authors noted a seemingly diminished Franco-German capacity to shape affairs within the European Union, at least after Maastricht.²¹ Indeed, after the common efforts to negotiate and ratify the Maastricht Treaty, the relationship underwent a transformation from a proactive force in the European integration process to a defensive coalition that frequently acted to preserve national autonomy and interests. One case in point is the EU’s Common Agricultural Policy (CAP). In the context of the Eastern enlargement in October and December 2002, both states protected the status quo of the financial subsidies for the benefit of the old member states. Shortly thereafter, in 2005 (to name perhaps the gravest example), both countries watered down the Stability and Growth Pact after both had violated the agreed-upon fiscal rules by preventing the application of the deficit sanctions mechanisms against themselves in 2003.²²

The management of the Eurozone crisis through the increasingly functional cooperation between Angela Merkel and Nicolas Sarkozy (‘Merkozy’) partially revived the Franco-German European leadership.²³ Due to its strong economic position, however, Germany played the role of the senior partner, while France assumed the unfamiliar junior role. The Ukraine crisis and the negotiations of the Minsk II Agreement in February

17 See Frédéric Bozo: Mitterrand, la fin de la guerre froide et l’unification allemande: De Yalta à Maastricht, Paris 2005; Thilo Schabert: Wie Weltgeschichte gemacht wird: Frankreich und die deutsche Einheit, Stuttgart 2002.

18 See Christian Deubner: Frankreich in der Osterweiterung der EU, 1989–1997, in: Politische Studien 363/1999, pp. 89–121; Peter Becker: Die deutsche Europapolitik und die Osterweiterung der Europäischen Union, Baden-Baden 2011.

19 See Susanne Pfeiffer: Die deutsch-französische Partnerschaft: störanfällig, aber strapazierfähig? Eine Analyse im Bereich der Außen-, Sicherheits- und Europapolitik (1990–2000), Frankfurt am Main 2006.

20 See Joachim Schild: La France, l’Allemagne et la Constitution européenne: Un bilan mitigé, un leadership contesté, Paris 2004, available at: <https://www.ifri.org/sites/default/files/atoms/files/ndc10schild.pdf> (accessed: 12.4.2016).

21 See Alistair Cole: Franco-German Relations: From Active to Reactive Cooperation, in: Jack Hayward (eds.): Leaderless Europe, Oxford 2008, pp. 147–166; William E. Paterson: Did France and Germany Lead Europe? A Retrospect, in: Hayward (ed.): Leaderless Europe, 2008, pp. 89–110.

22 See Michele Chang: Reforming the Stability and Growth Pact: Size and Influence in EMU Policymaking, in: Journal of European Integration 1/2006, pp. 107–120.

23 See Joachim Schild: Leadership in Hard Times: Germany, France, and the Management of the Eurozone Crisis, in: German Politics & Society 1/2013, pp. 24–47; Krotz/Maher: Europe’s Crises, 2016; Magnus G. Schoeller: The Rise and Fall of Merkozy: Franco-German Bilateralism as a Negotiation Strategy in Eurozone Crisis Management, in Journal of Common Market Studies 2018 (forthcoming).

2015, in the framework of the so-called ‘Normandy Format’ (that is, involving the German chancellor and the French, Russian and Ukrainian presidents) showed a similar constellation.²⁴ For the first time since World War II, the Federal Republic served in an exposed leadership role in security policy and crisis diplomacy.

Just as Franco-German *Gestaltungsmacht* in Europe varied considerably across time, the extent to which France and Germany shaped European affairs also differed significantly across policy areas. Over the past decades, Franco-German influence has played a particularly strong part in constitutional politics (treaty reforms), agricultural policy, and monetary integration.²⁵ In addition to their central roles in the creation of the European Coal and Steel Community and in the final phase of the negotiation of the Rome Treaties, the institutional development and the changes in the legal foundations of the community and Union provided important examples of French-German *Gestaltungsmacht*.

“The process that eventually led to the Treaty of Maastricht—from the agenda-setting to the conclusion of the summit negotiations—may represent the historical zenith of Franco-German influence in the European project.”

The institutionalization of the European Council in 1974, coupled with the upgrading of the European Parliament through the introduction of direct elections, was essentially a Franco-German decision. This pattern of parallel strengthening of these core institutions of the European Community and Union, respectively, runs as a

common thread through the history of treaty extensions and revisions.²⁶ The process that eventually led to the Treaty of Maastricht—from the agenda-setting to the conclusion of the summit negotiations—may represent the historical zenith of Franco-German influence in the European project.²⁷ In contrast, treaty reforms produced only very limited results in cases when Germany and France could not reconcile their positions either before or during treaty negotiations, coordinate their strategies, or reach consensus as to their procedural and substantive priorities. The Treaties of Amsterdam (1997) and Nice (2000) are cases in point.

With regard to the EC/EU’s key policy areas, agriculture and monetary policy—with all of their problems and shortcomings—are the domains in which the Franco-German imprint has been the most pronounced.²⁸ Due to the increasingly complex constellations of actors and policy networks within agricultural politics, however, France and Germany have lost some of their decisive influence in this area. Yet, to a large extent they continue to shape the financing of this costly policy domain. They are also jointly responsible for the prolongation of this outdated policy framework, which supports an ever-diminishing profession.

Since the Werner Plan on monetary union and the first attempts to create a European monetary cooperation and exchange rate agreement in the early 1970s, both countries have persistently played a central role on the long path towards monetary union.²⁹ Unlike in agricultural politics, Germany and France continue to

²⁴ See Krotz/Maher: *Europe’s Crises*, 2016.

²⁵ For an empirical overview of the varying influence of Franco-German bilateralism in Europe, consult Douglas Webber (ed.): *The Franco-German Relationship in the European Union*, London 1999; and Krotz/Schild: *Shaping Europe*, 2013, pp. 114-231.

²⁶ See Joachim Schild: *Frankreich, Deutschland und die institutionelle Entwicklung der Europäischen Union seit 1990*, in: Martin Koopmann/Joachim Schild/Hans Stark (eds.): *Neue Wege in ein neues Europa: Die deutsch-französischen Beziehungen nach dem Ende des Kalten Krieges*, Baden-Baden 2013, pp. 17-32.

²⁷ Mazzucelli: *France and Germany at Maastricht, 1997*; Dyson/Featherstone: *The Road to Maastricht*, 1999.

²⁸ See, for example, Douglas Webber: *Franco-German Bilateralism and Agricultural Politics in the European Union: The Neglected Level*, in: *West European Politics* 1/1999, pp. 45-67; Mazzucelli: *France and Germany at Maastricht 1997*.

²⁹ See Dyson/Featherstone: *Road to Maastricht*, 1999; Krotz/Schild: *Shaping Europe*, 2013, pp. 183-210.

play by far the most important roles in this troubled political domain, with the management of the Eurozone crisis providing the most recent example.³⁰ Yet, the trend towards growing economic asymmetry between the two is striking, and their divergent economic weight has translated into an asymmetrical potential to influence the management of the Eurozone.

In the fields of foreign policy, security, and defence, major obstacles to more effective cooperation have long persisted, and continue to do so. Importantly rooted in dissimilar historical experiences and what they made of them, basic orientations in foreign policy and security between the ‘civilian power’ (West-) Germany and the ‘would-be Great Power’, or rather the ‘residual world power’ France, have diverged significantly.³¹ For many years, France has consistently been much more reluctant than Germany to pool sovereignty in these core areas of national sovereignty.³² Germany, in contrast, has proved significantly more hesitant to use military force in pursuit of political goals. These divergent basic orientations endured beyond the end of the Cold War, continuing to limit France and Germany’s capacity to act jointly in the post-Cold War era.³³

3. Declining *Gestaltungsmacht* since 1990?

How and to what degree has Germany’s ability to shape European affairs based on a privileged partnership with France changed in the recent past? To what extent have divergent preferences on key issues of European politics impeded common leadership? And is France still available as a partner to Germany for strategic objectives and tasks? Do the power shifts between both states burden and undermine the bilateral relationship and the two countries’ common European leadership role?

A number of observers have predicted that an increasingly enlarged and more heterogeneous EU would limit or weaken Franco-German bilateral leadership in Europe. This argument, however, does not sufficiently consider the fact that decision-making processes in an enlarged Union inevitably involve a tendency towards informalization of politics. Such an ‘emigration’ of politics from formal institutions towards informal politics has led to a stronger concentration on small circles of core decision-makers inside the EU, which more often than not include Germany and France. This applies particularly to situations in which rapid decision-making at the European level is necessary, such as during the near chronic troubleshooting and crisis management that seem to be an integral aspect of EU politics at least since the financial crisis calamities fully entered European affairs. Europe’s hesitant responses to a newly assertive Russia, and to the deep discords in the wake of the refugee disasters, further fed the trend.³⁴

30 See Schild: Leadership in Hard Times, 2013; Krotz/Maher: Europe’s Crises, 2016; Schoeller: Rise and Fall of Merkozy, 2018.

31 See, for example, Hanns W. Maull: Germany and Japan: The New Civilian Powers, in: Foreign Affairs 5/1990, pp. 91-106; Hanns W. Maull/Michael Meimeth/Christoph Neßhöver: Die verhinderte Großmacht. Frankreichs Sicherheitspolitik nach dem Ende des Ost-West-Konflikts, Opladen 1997; Ulrich Krotz: National Role Conceptions and Foreign Policies: France and Germany Compared, Program for the Study of Germany and Europe Working Paper 02.1, Cambridge (MA) 2001; Ulrich Krotz: History and Foreign Policy in France and Germany, London/New York 2015.

32 See Axel Sauder: Souveränität und Integration: Französische und deutsche Konzeptionen europäischer Sicherheit nach dem Ende des Kalten Krieges (1990-1993), Baden-Baden 1995; Krotz: History and Foreign Policy in France and Germany. On the difficult, slow, yet durable cooperation in the realms of armaments and procurement, see Ulrich Krotz: Flying Tiger. International Relations Theory and the Politics of Advanced Weapons, Oxford/New York 2011.

33 See Alexander Siedschlag: Strategische Kulturanalyse: Deutschland, Frankreich und die Transformation der NATO, in: Alexander Siedschlag (ed.): Methoden der sicherheitspolitischen Analyse, Wiesbaden 2006, pp. 21-48; Krotz: History and Foreign Policy, 2015, pp. 125-162.

34 On informal policy-making involving France-Germany in the EU, [recently] note Magnus G. Schoeller/ Mattia Guidi/Yannis Karagiannis: Explaining Informal Policy-Making Patterns in the Eurozone Crisis: Decentralized Bargaining and the Theory of EU Institutions, in International Journal of Public Administration 14/2017, pp. 1211-1222.

France and Germany have also remained more influential in intergovernmental settings than in supranational ones, and in the former often strongly or decisively so. Over the course of the Eurozone crisis, for example, European decision-making processes have clearly displayed a trend towards further intergovernmentalism. The European Council strengthened its political standing, and the Eurozone summits were institutionalized.³⁵ Germany and France unmistakably drove this development.

Within intergovernmental decision-making processes, Germany and France have repeatedly proven their ability to decisively influence the management of the Eurozone crisis and the adjustments to the euro area's governance structures. Whilst Germany certainly influenced the European decision-making processes to a larger degree, joint German-French leadership mattered, for example, in seeking viable compromises between tightening fiscal rules on the one hand and the pressure to enact structural reforms on the other. The interpretation of a unilaterally exercised German 'hegemony' in the European Union does not correspond to the empirical reality.³⁶

Since the 1980s, steps to deepen integration have increasingly taken the form of differentiated integration involving only subgroups of member states. The financial crisis and Eurozone calamities have further strengthened this trend. From the Schengen Agreement, to the abolition of border controls in the internal market, the currency union, and the Maastricht Social Protocol, through recent cases of the financial transaction tax, the Euro-Plus-Pact, the so-called European Fiscal Compact, up to the recent launch of a Permanent Structured Cooperation (PESCO) in defence policy, almost all major examples of differentiated integration came into being

because Germany and France set the agenda and acted together as coalition managers.³⁷ Not only were they responsible for the realization of these flexible forms of integration, their power was also greater in this smaller context than within the circle of all 28 member states. The only major example of a move towards differentiated integration in which Germany and France did not provide decisive leadership came with the European Banking Union, as Berlin and Paris diverged on the social purpose of this most important integrative step of the last decade and turned out to be more often than not opposing each other instead of leading together during the negotiation process.³⁸

Both the negotiations on Brexit and its consequences, however, are likely to see France and Germany once more in a highly prominent role. During the decisive stages of the negotiations with the United Kingdom, the remaining big member states, first and foremost Germany and France, are likely to play a crucial role in shaping the EU's negotiation stance and the final outcome. Furthermore, Brexit, and EU politics in its wake, are likely to further strengthen not only the trend toward 'differentiated integration' but also France and Germany's role and standing in a post-Britain EU.³⁹

35 See Christopher Bickerton/Dermot Hudson/Uwe Puetter (eds.): *The New Intergovernmentalism. States and Supranational Actors in the Post-Maastricht Era*, Oxford 2015; Sergio Fabbrini: *Intergovernmentalism and Its Limits: Assessing the European Union's Answer to the Euro Crisis*, in: *Comparative Political Studies* 9/2013, pp. 1003-1029.

36 See Schild: *Leadership in Hard Times*, 2013; Krotz/Maher: *Europe's Crises*, 2016.

37 See Douglas Webber: *Successful and Genuine Failures: France and Germany in the History of 'Multi-Speed' European Political Integration*, Berkeley 2010.

38 See Joachim Schild: *Germany and France at Cross Purposes: The Case of Banking Union*, in: *Journal of Economic Policy Reform*, online first, DOI: 10.1080/17487870.2017.1396900; David Howarth/Lucia Quaglia: *The Political Economy of European Banking Union*. Oxford/New York 2016.

39 See Ulrich Krotz/Joachim Schild: *Back to the Future? Brexit and Franco-German Bilateralism in Europe's Union*. Paper presented at the 113th Annual Convention of the American Political Science Association APSA in San Francisco, 31 August–3 September 2017 and at the 47th UACES Annual Conference at Jagiellonian University, Cracow, 4-6 September 2017.

4. The challenges of economic and political power shifts

The economic and political shifts in influence and power between France and Germany that have sharpened over the last 15 years pose a central challenge, both to Germany's European policy and to its relations with France. In the wake of the 1990 reunification, some far-sighted observers were already diagnosing the end of the 'balance of the imbalances' between the economic power of Germany and the nuclear and diplomatic power of France.⁴⁰ Since entering the hapless currency union, France's and Germany's economic strength and international competitiveness have inexorably drifted apart—with significant consequences for the bilateral relationship. This trend, which has accelerated since 2005, manifests in a series of indicators, including the current account and trade balance, the respective share of global trade, the increasingly dissimilar importance of exports for gross domestic product, the evolution of unit labour costs, and the increasingly divergent contribution of industry towards the total value added. According to an influential comparative study, 'since the early 2000s, one can observe a historically unprecedented divergence in competitiveness at the expense of France, and the difference has grown further since'.⁴¹

Over the past decade, as economic performance and competitiveness drifted apart, German political elites at times have prominently expressed their increasing dissatisfaction or contempt toward the reform-resistant France. French inability or unwillingness to undertake economic, political, and social reforms, and persistently weak competitiveness, have led to questioning in Germany about whether or for how long France will

remain the central partner in, for example, coping with the enduring consequences of the Eurozone crisis. Up to the election of Emmanuel Macron to the French presidency in May 2017, France was increasingly seen as becoming part of the problem, rather than an ally in seeking viable solutions.

Some French observers saw the increasing economic asymmetry as endangering the foundation of the bilateral relationship. In the words of the republican member of the National Assembly and previous Minister for Europe, Pierre Lellouche:

*'50 years after the Élysée Treaty, we are experiencing [...] a brutal break of the balance within the Franco-German relationship, a break whose origin lies in the tragic economic, industrial, and financial lagging behind ('décrochage') of France in relation to its principal partner and competitor Germany. A lagging behind which—unless France profoundly reforms its economic and social model—could cause a decoupling of the two nations with potentially fatal political and strategic consequences for the process of European integration.'*⁴²

France's loss of economic dynamism and budgetary room for manoeuvre also compounds the task of maintaining its military capacities, thus risking the loss of its comparative advantage to Germany in the medium term. That would not only have adverse consequences for the French ability to act internationally in security and defence, but also for the potential for common Franco-German or wider European international military crisis management. The 'balance of imbalances' between economic and military power, as Stanley Hoffmann put it so clear-headedly, has therefore tilted toward Germany during the last 15 years.⁴³

40 See Stanley Hoffmann: La France dans le nouvel ordre européen, in: *Politique étrangère* 3/1990, pp. 503-512.

41 COE-Rexecode: Mettre un terme à la divergence de compétitivité entre la France et l'Allemagne. Etude réalisée pour le Ministère de l'Economie, des Finances et de l'Industrie – 14 janvier 2011, here p. 4, available at: www.coe-rexecode.fr/public/content/download/30859/307445/version/2/file/Rapportcompetitivite-France-Allemagne-janvier-2011-Partie1.pdf (accessed: 24 November 2017).

42 Pierre Lellouche: France-Allemagne: le double déni, in: *Politique étrangère* 4/2012, pp. 739-754, here pp. 739-740 [translated by Leonard Schütte]. For a similar view from the leftist camp, consult the expert on Germany and past government advisor Jean-Pierre Gougeon: *France-Allemagne: une union menacée?*, Paris 2012.

43 Hoffmann: La France dans le nouvel ordre européen, 1990.

The Federal Republic, moreover, has faced a conflict of objectives in the management of the Eurozone crisis: its fundamental interest in a permanent stabilisation and in a rule-based, regulatory governance of the Euro came into conflict with its equally fundamental interest in maintaining close cooperation with France. From the Federal Government's perspective, this tension is a result of the potentially stability-undermining policy of pooling liabilities and risk within the Eurozone (including rescue funds, Eurobonds, transfer systems between Eurozone member states, and a common bank deposit guarantee scheme) that France has pursued. The French approach might cause substantial 'moral hazard' problems by inducing both private economic actors and sovereigns to take on high risks and delay reforms, potentially leading to the 'socialisation' of losses in case things go wrong. Short-term stabilization of the Eurozone through risk-sharing at the expense of genuine reforms might undermine its longer-term consolidation and stability.

For France, German foreign policy behaviour in periods of crisis has cast doubt on Germany's attractiveness as the central ally. Questions have arisen in Paris as to what extent Germany would be willing to provide the necessary material resources for investments in security and defence, and to demonstrate its political commitment to assume international responsibility at least somewhat in accordance with its economic standing. From Germany's refusal to participate in the EU military mission in Chad and the Central African Republic in 2008 and 2009 (EUFOR Chad/CAR), to the abstention in the Security Council on the Libya resolution in March 2011 and the subsequent non-participation in the military intervention against the Qaddafi regime, to the low intensity participation in the French military mission against Islamic terrorists in Mali since early 2013 (Operation Serval) and in the Central African Republic since late 2013 (Operation Sangaris), Germany has—from a French perspective—repeatedly proven an unreliable and obsessively risk-averse partner with a tendency toward moralism and passivism. The extent to which

the terror attacks in Paris in the autumn of 2015 and the attack in Berlin in December 2016 will lead to a permanent extension of Germany's military engagement in the fight against international terrorism alongside France remains to be seen.

“There is little doubt that Macron is serious about deeply reforming France and pursuing French ‘grandeur’.”

5. The Macron moment

The May 2017 election of Emmanuel Macron to the highest political office in France is likely to redynamise Franco-German bilateralism in the European Union for two major reasons. Firstly, the new French president made the strategic choice in favour of Germany as France's key partner for pursuing French interests in Europe and for his plans to 'refound' the European Union. And secondly, Macron is perfectly aware that a co-equal leadership role for France can only be attained through successful economic and social reform at the domestic level.⁴⁴ A role as a junior partner to Germany holds little appeal for France and is hardly reconcilable with its self-view and traditional international role. Hence Macron's determination to pursue his domestic reform agenda restoring French competitiveness, reforming the labour market, bringing down taxes and social security contributions for companies, reforming the French welfare state, and—not least—cutting deficits to bring France once again in line with European fiscal rules. He is guided by the goal to restore the French

⁴⁴ See Joachim Schild: Französische Europapolitik unter Emmanuel Macron. Ambitionen, Strategien, Erfolgsbedingungen. In: *Integration* 3/2017, pp. 177-192.

reputation in Europe—first of all in Germany—in order to regain the influence in European politics that France had lost during the last two decades.

There is little doubt that Macron is serious about deeply reforming France and pursuing French ‘grandeur’. If he is at least partially successful in restoring economic dynamism, competitiveness, and debt sustainability by overhauling France’s budget, modernizing its overblown welfare state, and suffocating regulation, the Franco-German relationship can be once again based on a sounder, because less asymmetric basis. This is without a doubt in the German interest, as it would allay the widespread fears among its partners of an unchallenged and unbalanced German hegemony in the European Union.

Since the election of the new French president, France and Germany have made forceful demonstrations that they are willing to take up the challenge of the EU’s ‘polycrisis’, including Brexit, and to provide European leadership. They agreed on an ambitious roadmap for bilateral co-operation on the occasion of the Franco-German council of ministers held on 13 July 2017 in Paris.⁴⁵ Moreover, Macron made clear that he intends to systematically prepare European Council and ECOFIN Council meetings at the bilateral level, thus providing co-leadership by enhancing the efficiency of EU decision-making thanks to a common Franco-German approach (to the extent possible).

A Franco-German initiative in favour of a deepening co-operation in security policy rapidly gathered momentum. Two days after the Brexit referendum in June 2016, the Ayrault-Steinmeier declaration of the two foreign ministers suggested making use—for the first time ever—of the Lisbon Treaty’s clause on permanent structured co-operation (Articles 42(6) and 46 of the Treaty on European Union-TEU) in military

matters. It allows for the creation of a subgroup of Member States committing themselves to strict criteria as regards the development of their defence capacities as well as their participation in European equipment programmes and multinational forces.⁴⁶ In September 2016, the two defence ministers, Le Drian and von der Leyen, followed up by tabling a substantial common contribution, laying out a roadmap towards a revitalized Common Security and Defense Policy (CSDP). Besides calling for permanent structured co-operations (PESCOs), they advocated—among other ideas—a permanent EU military and civilian planning and conduct capability, regular European Council meetings on security and defence issues, common financing of CSDP missions, and the establishment of strategic European transport capacities and of a European Medical Command.⁴⁷ Perhaps most remarkably, at the 19th Franco-German Ministerial Council of July 2017, the two countries announced the launching of a European initiative in favour of a PESCO and defined a common approach to the criteria allowing partner countries to participate in it. Furthermore, in the field of armament and procurement, France and Germany envisage the development and procurement of the next generation’s major weapons systems: tanks, combat aircraft, and combat helicopters.⁴⁸ The Franco-German PESCO initiative quickly gathered speed as the European Council of 19 October 2017 envisaged ‘the launching of PESCO before the end of the year’, followed by an agreement of Foreign and Defence Ministers from 23 Member States on 13 November 2017.⁴⁹

⁴⁵ Conseil des Ministres Franco-Allemand / Deutsch-Französischer Ministerrat, Paris, 13 July 2017, documents available at: <http://www.elysee.fr/assets/Uploads/Conseil-des-ministres-franco-allemand2.pdf> (accessed: 23 July 2017).

⁴⁶ Jean-Marc Ayrault/Frank-Walter Steinmeier, F.-W.: ‘A Strong Europe in a World of Uncertainties’, 25 June, available at: https://www.auswaertigesamt.de/EN/Europa/Aktuell/160624-BM-AM-FRA_ST.html (accessed 25 July 2017).

⁴⁷ Jean-Yves Le Drian/Ursula von der Leyen: Revitalizing CSDP: Towards a comprehensive, realistic and credible defence in the EU’, Berlin, 12 September 2016, available at: https://www.senato.it/japp/bgt/show-doc/17/DOSSIER/990802/3_propositionsfranco-allemandes-sur-la-defense.pdf (accessed 13 August 2017).

⁴⁸ For some of the vicissitudes of Franco-German armament and procurement affairs, see Ulrich Krotz, *Flying Tiger: International Relations Theory and the Politics of Advanced Weapons*. New York: Oxford University Press 2011.

⁴⁹ European Council, Conclusions, European Council meeting, Brussels, 19 October 2017 (EUCO 14/17), p. 9.

With his ‘initiative for Europe’ speech on 26 September 2017, Macron submitted a group of bold proposals for deeper integration in European security and migration policy and for euro area governance reforms, among others, and thus tried to launch a lively European reform debate. The success of Macron’s initiative crucially depends on the Germany response, which was delayed because of the complicated negotiations to bring together a coalition government after the federal legislative elections of 24 September 2017. Nevertheless, Chancellor Merkel repeatedly made clear that a future German government will lend support to parts of the French reform agenda such as security co-operation, the digital economy, and harmonizing tax bases.⁵⁰ The most difficult area for defining a common Franco-German stance will no doubt be the reform of the Eurozone. French proposals on reforming the Euro area governance include a separate Eurozone budget with a redistributive function, a European finance minister, and a Eurozone parliament. Any proposal of institutionalizing permanent financial transfers among member states will, however, meet with German resistance.

The degree to which France will stay available for joint European leadership with Germany, presumably in new and adjusted forms, depends on two key factors: On the one hand, on the level of German support for Euro area governance reforms and its resolve to seriously discuss French ideas; and on the other, on Germany’s willingness and ability to assume more responsibility in security and defence, not least in military crisis management in Europe’s neighbourhood and extended neighbourhood.

⁵⁰ See Frankfurter Allgemeine Zeitung, 30 September 2017: Merkel lobt Macron und bleibt bewusst vage.

6. Conclusion

For decades, France proved an indispensable and irreplaceable partner for Germany, both in pursuing its core European policy interests and in developing its *Gestaltungsmacht* in the European integration framework and beyond. Yet, will the *Macht in der Mitte*⁵¹ (central power) need its weakened ally France as much as in the past in order to pursue its core interests and strategic objectives in the future?

“The election of Emmanuel Macron to the French presidency opens a window of opportunity to renew a bilateral partnership that has lived through periods of strain since German reunification and the end of the East-West conflict.”

With the Eurozone crisis and an epochal refugee crisis still not fully overcome, and with growing international challenges—from international terrorism to a revisionist Russia and the Trump challenge to core pillars of international order—Germany, sometimes accused of hegemonic tendencies, is more dependent than ever on strong allies for a constructive foreign policy. The Federal Republic has no real unilateral alternative. Its economic power remains too restricted and its neighbours’ historically-based reservations too strong. In times of a European ‘polycrisis’,

⁵¹ Herfried Münkler: *Macht in der Mitte. Die neuen Aufgaben Deutschlands in Europa*, Hamburg 2015.

preserving the European Union's integrative framework in which Germany is firmly and reliably embedded—along with its Franco-German core—is and remains a key part of Germany's 'raison d'État'.⁵² The more political influence Germany gains in the European Union and the more it grows into the role of an 'indispensable policy broker',⁵³ the more the Federal Republic depends on reliable allies and partners. Only on the surface does this appear a paradox. German political leadership in the European Union is, for the time being, only conceivable as co-leadership.⁵⁴ France is and will remain the central ally for Germany's European policy and for preserving the Union's cohesion—due to its economic size, its influence in foreign and security policy, its diplomatic abilities, its political will to lead, and not least because of the history of its special relations with the Federal Republic. For the foreseeable future, no other viable option exists for Germany among the other major EU member states.

The election of Emmanuel Macron to the French presidency opens a window of opportunity to renew a bilateral partnership that has lived through periods of strain since German reunification and the end of the East-West conflict. Further, it provides a unique opportunity to promote deeper European-level co-operation and integration in key policy fields in a post-Brexit EU, either in the EU-27 or in subgroups of member states.

52 See Gunther Hellmann: Deutschland, die Europäer und ihr Schicksal. Herausforderungen deutscher Außenpolitik nach einer Zeitenwende, in: Zeitschrift für Staats- und Europawissenschaften 2-3/2017, pp. 329-346.

53 Krotz/Maher: Europe's Crises, 2016.

54 See Werner Link: Integratives Gleichgewicht und gemeinsame Führung. Das europäische System und Deutschland. Merkur 11/2012, pp. 1025-1034; Eckhard Lübke: Führung ist wie Liebe. Warum Mit-Führung in Europa notwendig ist und wer sie leisten kann, Berlin: Stiftung Wissenschaft und Politik; SWP-Studien 2007/S 30, November 2007.

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