

■ EUROPEAN REFORM A sophisticated power-play is unfolding over the future of EU as Berlin attempts to put its stamp on the unwieldy institutions

Chirac dodges the hard questions as France takes helm

PRESIDENT JACQUES Chirac is an expert at telling his audience what they want to hear without saying anything very much. Even here, however, will have difficulty in squaring all the domestic and European circles faced by France in its six-month presidency of the European Union when he addresses the Bundestag in Berlin today.

The French President will pour polite but faint praise on long-range German ideas for a more federal EU. He will enthusiastically back ideas – adamantly opposed by the Blair Government – for the creation of a “hard core” of 15 EU nations, which can press ahead with new policies, with or without the approval of the rest.

He will speak glowingly of the need for rapid decisions to enlarge the EU to 20, or even 30, nations in the next few years. He will promise unflagging efforts by the divided French government to ensure that sufficient institutional reforms are agreed at the Nice summit in December to make enlargement to the east and south possible.

In truth, however, France enters its presidency in a state of some anxiety.

The German talk of federalism has irritated the French government (both the Gaullist Mr Chirac and his Prime Minister and Socialist rival, Lionel Jospin). The cause of EU enlargement is tolerated in France but not popular (where, among other things, it raises a new threat to survival of the Common Agriculture Policy).

The French presidency of the EU, which begins on Saturday, is likely to focus on a minimal package of reforms, which will dodge the fundamental questions: how do you run a 30-nation EU, with an institution-

BY JOHN LICHFIELD
in Paris

al system creaking under the combined weight of 15? How do you make the EU more accountable and more democratic? Even this package may prove impossible to agree in time (in practice, the summer holidays mean that real negotiations will start only in September).

Failure, in itself, would not upset the French too much; but failure on their watch would be diplomatically awkward and domestically dangerous, with presidential elections looming.



Joschka Fischer: Debate on federalism irks France

Officially, the French government says that the federalist debate launched by the German Foreign Minister, Joschka Fischer, is welcome and necessary.

Unofficially, French officials say that it is badly timed because it raises hackles in Britain and Scandinavia which will make the reforming task of the new presidency harder.

Irritation with Berlin has more direct, domestic causes. France has traditionally played the role of grand EU visionary. It likes Germany to go along with French ideas (such as the

euro), not to come up with sweeping ideas of its own.

The word “federal”, although benign in German, has negative connotations in France, where most power is central and not divided between the capital and regions. Although a majority of French people are positive about a more powerful or federal EU (without having thought too much about it), neither right nor left in France wants to risk holding that debate during the presidential election in 2002. Important components of both right- and left-leaning political families – the Communists and radical Republicans on the left; some Gaullists and eurosceptic former Gaullists on the right – are stridently opposed to any further transfer of power to Brussels.

Efforts to agree a common Franco-German position on minimal EU reform before the start of the former's presidency have made some progress. Both countries are united behind the proposal that infuriates the Blair government: that a group of EU countries should be allowed to push ahead with integration in new areas – “reinforced co-operation” – even if other member states object.

Britain sees this as a permanent separation of Europe into lower and upper divisions. The French and Germans see it as a way of preventing the union from becoming a lowest-common-denominator, free-trade area once it encompasses the former Soviet-bloc countries, as well as Malta, Cyprus and Turkey.

They say the British fears are unjustified: the United Kingdom could be in the “first division” for some policies (such as defence) even if non-players in others (such as the euro).



Chancellor Gerhard Schröder, left, with President Jacques Chirac at the Expo 2000 exhibition in Hanover, Germany Ferdinand Ostrop

Sleek new union would leave UK behind

BERLIN AND Paris have agreed in recent weeks to push for plans allowing closer co-operation among groups of European Union countries, raising British fears of being consigned to the slow lane of a two-speed Europe. France is also backing German calls for an EU charter of fundamental rights to be written into European law.

However, the two neighbours have also become embroiled in a sophisticated power-play. During the last two months, Berlin has produced two initiatives on European integration that have won a cool reception in Paris, and Germany has found its voice as France prepares to take over the rotating presidency of the

BY STEPHEN CASTLE
in Brussels

EU, six months in which Paris could reasonably expect to set the agenda in Europe. All this is going on in the run-up to a round of institutional change later this year, likely to produce a fundamental shift in the relationship between France and Germany since the beginning of the European venture.

This flurry of activity began last month when the German Foreign Minister, Joschka Fischer, called for the development of a European federation, with a parliament, a legislative government, a constitution and perhaps an elected president. While Paris welcomed a con-

tribution to the debate, the French Foreign Minister, Hubert Vedrine, argued that Mr Fischer's agenda was one for the future, not the present.

Last week, the office of the German Chancellor, Gerhard Schröder, said he will press for a new set of reforms no later than 2004. These would include the incorporation of the charter of fundamental rights into EU law, and a definition of the scope of Europe's powers vis-à-vis the state. This is partly a matter of satisfying domestic public opinion. Berlin wants a clear signal that these issues will be addressed soon. But it also reflects the desire of Germany, which after reunification has 20 million more people

than France, to exercise a leadership role in Europe that it has traditionally foregone.

That assertiveness will be tested in December when the treaty is amended to prepare for Europe's enlargement to the east, and Germany presses for more votes than France or Britain in Europe's Council of Ministers, or a new system where population is taken into account in majority voting.

Pressure for a new EU Constitution in Germany comes from thoroughly eurosceptic quarters as well as federalists. The loudest champion is Edmund Stoiber, the Prime Minister of Bavaria. He opposes Brussels on almost every issue, fearing an integrated Europe

because he is convinced it will diminish the regions' power. The 16 Länder have the final say on international treaties. Mr Stoiber threatened not to sign whatever comes out of the Nice summit at the end of the year, unless the regions receive guarantees they will not be swamped by Brussels.

A typical behind-the-scenes deal has been struck. Mr Stoiber has been bought off with the promise of a European constitution enshrining regional powers, while France is assured of less carping from the German sidelines. Hopefully, President Chirac and Tony Blair, who visits France on Thursday, will see the subtleties of the German power-play.