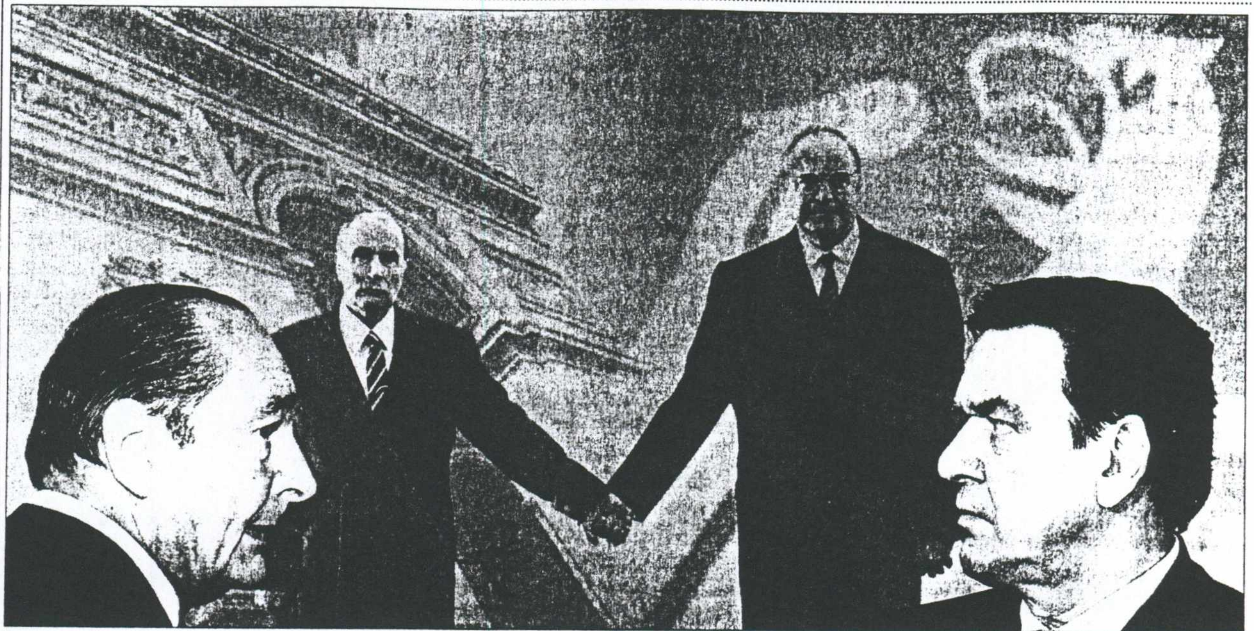

Europe's rocky relationship

Robert Graham and **Haig Simonian** on the weakening axis between France and Germany

In Paris, the description most frequently heard is *en panne* (broken down). Franco-German relations, the powerful motor driving postwar European integration, have fallen into disrepair.

Tomorrow at an informal summit at the château of Rambouillet outside Paris, French and German leaders meet to discuss how to repair the damage. France assumes the six-month rotating presidency of the European Union in July, and is keen to forge a common sense of purpose with its traditional partner. But the very need for such a gathering underlines how distant the days of Konrad Adenaur and General Charles De Gaulle, or Helmut Kohl and François Mitterrand, now seem.

Franco-German relations reached their zenith with the Maastrict treaty of 1991, a pact in which Germany gave up the Deutschemark for the single currency in return for French acceptance of reunification. Nearly a decade later, the debate has moved on: the EU summit in Lisbon in March, for example, focused on market-oriented structural reform. The discussion was led by Britain, Spain and Portugal; unusually, there was no Franco-German joint initiative.

"The relationship has not been what it should since Schroder took office, for a complicated set of reasons," says an aide to Lionel Jospin, the French prime minister "But when France and Germany do not work well together on specific issues, then the European agenda suffers. This is why we now have to make a big effort to find genuine areas of agreement."

In Germany, where Chancellor Gerhard Schroder's Social Democrats took power only in late 1998 after 16 years in the wilderness, officials prefer to talk about the differences of outlook and personality that inevitably arise after every change of government. Privately, however, many agree that the close rapport with Paris has become harder to maintain.

"The relationship is not bad, it is good," insists Brigitte Sauzay, the former Quai d'Orsay interpreter appointed by Mr Schröder as his personal adviser on Franco-German relations. "People have to be ambitious but they must realise how difficult this is."

Areas in which Paris and Berlin no longer see eye to eye are multiplying rapidly.

Last week Joschka Fischer, Germany's foreign minister, outlined his personal vision of a more united Europe in which a core of states, centred on France and Germany, would carry integration forward. "One thing at least is certain: no European project will succeed in future either without the closest Franco-German co-operation," he said.

The speech was welcomed in Paris as an attempt to revitalise the debate on Europe. But the French remain wary of Mr Fischer's federalist aims and are conspicuously lacking in any broad new vision of Europe.

There were also signs of strain during the six-month saga of Berlin's attempt to nominate Caio Koch-Weser as managing director of the International Monetary Fund. Paris backed the appointment of a German – Horst Köhler, another German, eventually got the job – but was caught unawares by Mr Schroder's choice of candidate. "Matters were made worse by the Germans pressing his candidature despite clear indications that he was unacceptable to the Americans," observes an adviser to Mr Chirac.

To German annoyance, Mr Jospin then began canvassing the name of Laurent Fabius, the former Socialist prime minister since appointed finance minister.

German officials admit to failings on their side, too, notably the confusion in policymaking created by the appointment of a special adviser to the chancellor on relations with Paris. While Ms Sauzay has an exclusively Franco-German beat, Michael Steiner, a former diplomat, is Mr Schroder's right-hand man on the foreign policy side. Relations between the two advisers have not been easy.

> **'When France and Germany do not work well together, the European agenda suffers'**

In economic matters, the two countries disagreed sharply over euro-zone interest rates. Germany, worried about its sluggish economy, has lobbied the European Central Bank against a rise; France, growing quickly, has made clear its support for "a strong euro".

In addition, German policy has become much more orthodox on the question of deficits in the euro-zone. And, more broadly, Mr Schroder may still be riled by the way Mr Chirac steamrollered discussion on funding the common agricultural policy at the May 1999 Berlin summit during the German EU presidency.

Some French commentators argue that such quarrels are due to misunderstandings caused by the Schröder government's rocky start in office. The outspoken views on the euro of Oskar Lafontaine, the former German finance minister, embarrassed Paris with their lack of preparation. While Mr Lafontaine has been replaced by the no-nonsense Hans Eichel, efforts to co-ordinate macroeconomic policy in the euro-zone have been unsettled by the abrupt departure of two French finance ministers in six months.

Certainly, Chancellor Kohl's commitment to the European project and his willingness to accommodate French demands, are much missed. The shift of generations to a new set of leaders with no recollection of the war, that includes Mr Schröder, has led to greater German willingness to project a more forceful world role.

France is still a nuclear power and, unlike Germany, it retains a seat on the United Nations Security Council. But Paris can no longer rely on Germany's post-war guilt to leverage its diplomatic weight and dominate the EU. The French feel unnerved by a reunited Germany with 20m more inhabitants and a capital that has moved from Bonn, close by on the Rhine, to distant Berlin at the doors of central Europe.

Anxiety about the possible unpredictability of the German government has been exacerbated by Mr Schroder's flirtation with the Third Way ideas of Tony Blair, the UK prime minister. Combined with Britain's pro-European stance in areas such as defence, the new dynamic intensifies French fears that the traditional Franco-German axis is weakening.

Political co-habitation in France between the right of centre president and Mr Jospin, a socialist prime minister, has been an additional complication. Mr Chirac sees Franco-German relations as his preserve; but so many of the European issues are directly the prime minister's affairs that the Germans are often left wondering with whom they should deal. "The problem is mainly protocol. But you have to learn that there are times when they can move and there are times when they can't move," notes one close German observer.

French officials insist the two administrations are at last working together better. And in some ways they are. Germany acknowledges the importance of close contact with France, and Mr Schröder's flirtation with Blairism has been attenuated because of its limited appeal to his leftwingers. Berlin admits that important lessons have been learned from the IMF affair.

In the short term, that may mean a smooth French presidency of the EU, and progress on many of the "leftovers" from the Amsterdam treaty. In a sign of their seriousness, Mr Schroder and Mr Chirac are due to meet no less than three times in the next six weeks.

In the longer term, however, France may have to accept that the postwar understanding it enjoyed with Germany has gone for good.

Inevitably, a more powerful and emancipated Germany will re-examine such a privileged partnership. Relations with Paris will not necessarily be downgraded in favour of London or Washington, but Berlin may wish to broaden its diplomatic options.

More attention will be undoubtedly be paid to diplomatic niceties, but while Berlin will learn, it is Paris that will have to make the real accommodation to avoid friction in the heart of Europe.