AICGS ISSUE BRIEF

DECEMBER 2004 02

Franco-German Relations: Leadership in a Changing World

BY KARIN L. JOHNSTON

Can France and Germany lead an enlarged European Union?

Are there alternatives to the Franco-German tandem? If not, can it be made more effective?

What are the prospects for the ratification of the EU constitutional treaty?

What are the long-term economic and political consequences of France and Germany's violation of the Stability and Growth Pact?

Can the EU ever speak with one voice on defense matters?

Can France and Germany help to build a new U.S.-EU relationship, or will they sow renewed conflict—in Europe and in transatlantic relations?

Do France, Germany, and the United States share enough common ground to cooperate effectively in the Broader Middle East?

The Franco-German relationship is in a crisis, accused of no longer being capable of providing the impulsion for continued European integration, a function the tandem has successfully performed since the early postwar years. It has devolved, critics charge, into a marriage of convenience driven by a fear of losing influence in an enlarged Europe, and increasingly propelled by national interests to the detriment of Europe and further European integration. The question being raised is whether the Franco-German tandem has outlived its usefulness. If the answer is yes, then who will take on the task of leading the new Europe?

The gathering consensus is that the Franco-German tandem is a necessary but no longer sufficient driver of European integration, though it is not clear what type of arrangement will provide the kind of impetus that has defined the Franco-German partnership over the years, and will be needed to manage an enlarged EU of 25 and an evolving European Security and Defense Policy (ESDP). External changes and domestic transformations have altered the balance of the partnership, and shifted the ground under its feet. The prestige and credibility of the Franco-German tandem, as well as its effectiveness, have declined, though no clear alternative appears likely.

AICGS Project on Franco-German Relations

AICGS' two-year project has monitored the ways in which the Franco-German relationship is changing and analyzed the implications for these changes for the construction of Europe and for relations with the United States. If the relationship falters, Europe could be rendered rudderless at a time when it must make tough institutional, budgetary, and procedural decisions. An enlarged, but fluid and leaderless Europe could emerge, with profound consequences for transatlantic relations and for the ability of France, Germany, and the United States to cooperate in meeting challenges to their mutual security and well-being.

The project's conference, workshops, and publications focused on three broad areas that are central to the French-German partnership: A New Vision for Europe; the Economics of EU Enlargement; and European Foreign and Security Policy. Policy analysts, government officials, journalists, and academics met in Paris, Berlin, and Washington, D.C. to contribute their expertise and insights. We wish to extend our thanks to them for their invaluable contributions to this project. We are also grateful to the Robert Bosch Foundation for its generous support of this project.

For the tandem to remain relevant, France and Germany must:

- Reinvigorate the established system of consensus-building and regular consultation with other EU member states;
- Refocus on the process of furthering European interests, in tandem with their European partners;
- Recognize that the tandem must be flexible enough to incorporate other member states depending on the issues and interests at hand;
- Acknowledge that the effectiveness of the tandem is also a function of good relations with the United States; as such developing a stronger EU must not come at the expense of building a counterweight to the United States.

Charles Ries, Eberhard Kölsch, and Ambassador Jean-David Levitte at the AICGS Conference on Franco-German Relations, January 2003.

Franco-German Relations in Perspective

The Franco-German relationship has provided significant impetus for Europe's postwar prosperity and stability. Franco-German cooperation facilitated reconciliation in the aftermath of WWII and drove the development of European economic and political integration. Cooperation was never a given; in fact the two governments disagreed more than they agreed, but the process succeeded in forging agreements between Germany and France that were simultaneously workable compromises and negotiating positions that other EU member states could accept. The legitimacy and prestige of the Franco-German couple derived in no small part from the acknowledgment of other, smaller EU states that France and Germany served the interests of Europe rather than considering more narrowly defined interests.

The end of the Cold War and the enlargement of the EU altered relations within Europe as well as between the United States and its European allies. The change was also felt inside the Franco-German tandem. In recent years the relationship has become unbalanced as both countries have struggled to find a new foothold in the shifting European landscape. Germany's economic strength has diminished under the weight of the transfer payments to eastern Germany and fiscal troubles brought on by outdated economic and social infrastructures. At the same time, however, the German government has begun to flex its political and foreign policy muscles, something to which the French are unaccustomed. France's political influence softened as U.S. power projection continued unabated, and as the EU enlarged its membership. More importantly, France and Germany have been unable to paper over their differences on EU enlargement, since France sees it as a lessening of its influence in Europe, while Germany sees greater opportunity. As a consequence of these changes, by the late 1990s the Franco-German motor had stalled.

The fortieth anniversary of the Élysée Treaty in January 2003 and close coordination on Iraq restored momentum to the Franco-German tandem.[1] But things were different. The process of drafting the EU constitutional treaty had shown France and Germany's willingness to forestall the process if they did not get what they wanted. The two countries pressured the euro area's finance ministers not to sanction them for violating the Growth and Stability Pact. Support has been given to the idea of a two-speed or two-tiered Europe. The rhetoric and style of Chancellor Schröder and President Chirac have contributed greatly to the growing belief that the French and German governments have jettisoned their commitment to Europe.

As if this were not enough, tensions between the United States and its European allies over Iraq have further exposed fissures within Europe. New member states were incensed when during the Iraq conflict Chirac told them they had missed "a good chance to shut up."[2] France and Germany's active opposition to the Bush administration's use of military force and their presumption that their position represented Europe's position generated a great deal of animosity from other states, since the French and Germans stated this before their European allies were aware of their intentions, thus bypassing the consultative process. Other European countries published a "letter of eight" that openly supported the United States, exposing serious internal divisions. The new, mostly central and eastern European member states had signaled that they did not share the same strategic outlook, nor were they prepared to automatically defer to the French and Germans. The political capital that France and Germany had built up over time dissolved as public recriminations and open questioning of the utility of the Franco-German tandem grew louder.

Dilemmas of Leadership

European leaders have begun to question the validity and effectiveness of Franco-German leadership in the EU. There is increasing unwillingness to believe that France and Germany are acting in the interest of Europe.[3] Is the Franco-German tandem sustainable? If not, are there alternatives? Where do the challenges for the Franco-German tandem lie?

Leadership and the European Constitution

At its core, the debate on the EU constitution centered on the need for the redistribution of voting power among the member states and the EU institutions that an enlargement to 25 members necessitated. A convention was convened in early 2002 to draft a constitutional treaty. The process was long and arduous, and the French and German governments frequently clashed both with each other and with other EU member states. The draft treaty was finally completed, but the EU failed to pass the constitution in its December 2003 meeting. With an important European Parliament election just days before the next scheduled EU summit in June 2004, few observers held out any chance of the treaty passing even then. Some saw the EU's failure to agree on the constitutional treaty as a failure of Franco-German leadership and as a sign that the Franco-German tandem was no longer capable of leading Europe.

The new EU constitutional treaty was finally signed on October 29, 2004. This opens a two-year period during which member-states must ratify the treaty either by a parliamentary vote or through referenda. There is concern, however, that the constitution will not be ratified by all EU members. Technically, a single "no" vote will scrap the constitution. The first referendum, in Spain, is scheduled for February 20, 2005. Most observers believe the Spanish will vote in favor of the constitution, but a "yes" vote in such countries as Denmark, the UK, and Austria is far from certain. The constitutional process has exposed the growing uneasiness and opposition among European publics about continued EU integration. Regardless of the eventual outcome, referenda are certain to gain in political importance, since they will be viewed as a popular expression either of support or rejection of the EU's future course of development.

It is possible that even with a "no" vote by a member state, a majority of other member states will push ahead with the constitution.[4] In this scenario, the Franco-German tandem could gain significant influence. Of course, it matters more whether ratification fails in a large and pivotal state, rather than in a smaller member state. For example, if the French public votes against the constitution, there is little likelihood the treaty will survive, postponing the structural and institutional reforms that are so urgently needed. In this sense, Franco-German leadership will be central to the future effectiveness of the EU.

Leadership and the Stability and Growth Pact

When in November 2003 France and Germany forced a majority of EU member states to accept the temporary suspension of the constraints outlined in the Stability and Growth Pact, the act was interpreted as a clear move to defend national economic policies at the expense of European interests. For many, the refusal of the euro area's finance ministers to sanction France and Germany for running deficits in excess of the 3 percent GDP ceiling signaled the end of the Pact.

While there was significant debate on whether there would be economic consequences of France and Germany's violation of the Stability and Growth Pact, most economic analysts agreed there was no real alternative. The EU rules that are intended to enforce fiscal prudence by setting a strict limit on annual budget deficits are very rigid and inflexible. It was not just a problem for France and Germany; other EU member states also have been in violation, carrying a budget deficit above the 3 percent limit. In September 2004 the European Commission presented a slate of reforms designed to make the Stability and Growth Pact more flexible and effective, though the reforms will not be in place before mid-2005.[5]

Looking to the Future

Progress in European integration can and will only take place if France and Germany are as united as possible.
- Chancellor Gerhard Schröder, in a speech to the *Bundestag* on July 2, 2004.

The Europe of 25 ... will force us to rethink what the central core should be.
- Jacques Chirac, quoted in *The Economist*, June 5, 2004

Everybody agrees that the Franco-German couple can no longer play this role alone.
- Ulrike Guérot, German Marshall Fund of the United States, Berlin.

The political integration of the EU presents the greatest challenge to continuing US influence in Europe since World War II, and US policy must begin to adapt accordingly.
- Jeffrey Cimbalo, *Foreign Affairs*, December 2004.

Far more serious has been the political fallout. The rejection of the Stability and Growth Pact's constraints severely injured France's and Germany's moral credibility and leadership in the EU. Other EU member states asked why they should be held accountable when France and Germany showed such a flagrant disregard for the rules. In the end, it was not so much the breach of the 3 percent ceiling, but the behavior of the French and German governments—the strong-arm tactics and disregard for established consultative procedures—that antagonized other member states and led to a significant loss of French and German authority and standing, which will be difficult to regain. Only a serious commitment to institute reforms and undertake fiscal discipline can win back any significant measure of credibility. The fact that Germany may very well violate the ceiling in 2005 for a fourth year in a row—despite its assurances before the European Commission this month—questions the continuing validity of the Stability and Growth Pact and the sanction procedures.[6]

Leadership and European Foreign and Defense Policy

There is growing consensus in the EU that full integration of Europe is not possible without a European foreign and defense policy. Germany and France agree on this goal, but they disagree on the purpose and projection of ESDP. More importantly, a European foreign and defense policy is not possible without the UK. Leadership in this endeavor, therefore, will not be a Franco-German initiative alone.

Progress toward a future European foreign and defense policy will require surmounting a series of important challenges, such as defense spending within the EU. Though the UK and France have voted for small increases in defense spending, there is little hope for significant increases in Germany and in other EU member states.[7] The problem of expense and duplication is in turn driving a debate on pooling military resources and establishing a European army, though few states are willing to accept relinquishing national control of their military.

Important steps nevertheless have been taken to advance ESDP. In late May 2004, EU defense ministers approved the EU's Headline Goals 2010 objectives, which outline how the EU should develop its collective military capabilities over the next decade. And on July 12, 2004 the EU member states formally established the European Defense Agency (EDA), which is designed to identify gaps in Europe's defense capabilities and to coordinate arms research and development. EDA has been granted competencies in several areas: defining common defense capabilities, research and development, procurement and armaments cooperation, and securing a competitive and fair defense equipment market.

For the Europeans, a European Defense Agency makes sense on several levels. For one, it will be able to realize efficiency gains through economies of scale, addressing the very real problem of duplication in European armaments research, development, and procurement. More broadly, the Agency's development can be seen as part of the EU's efforts at further integration as it focuses on defining and constructing a common foreign and defense policy. Analysts believe that the EDA probably will not succeed in pressuring member states to increase their defense budgets. Its existence, however, will most likely lead to consolidation in Europe's fragmented defense industry. But concerns remain as to whether the EU can reconfigure its military forces to respond appropriately and in a timely manner to current threats; the number of military involvements the EU will be called upon to contribute to in the future will clearly increase, not decrease, and Europe is simply not yet up to the task of handling them.

A different problem is the question of whether the EU can ever speak with one voice in security and defense matters. This holds not only for differences between long-standing members, but for the newest members, and speaks to the issue of Franco-German leadership in foreign and security matters. New members have no experience or long-term investment in the Franco-German tandem—with no prima facie reason to follow the Franco-German lead unquestioningly.[8] Secondly, there are pro-American strains in the new member states, because of an enduring belief that the United States and not the EU can give the kind of security guarantees they desire. These countries also will not support what they consider to be an anti-American policy within the EU, nor will the new members support French efforts to forge the EU into a counterweight to the transatlantic partnership. For the time being, a fully defined ESDP is a long-term goal, but it is in the area of defense policy where the constellation of forces will by necessity expand beyond the Franco-German tandem and embrace a wider constellation of member states.

The growth spurt in ESDP institutions has startled some American policymakers who in the past supported European integration. Some conservative lawmakers and neo-conservative thinkers are increasingly questioning the advantages that an active European foreign and security policy would hold for U.S. interests. Arguably, it is in the field of foreign and security policy where the chances of a unified EU position are the least probable, and the dominance of U.S. power will ensure that the United States would retain a significant degree of influence in such matters. It is interesting to note that at the same time that Europe is becoming less central in U.S. strategic thinking, a majority of Europeans wants Europe to become more powerful (albeit working in collaboration rather than in competition with the United States).

Franco-German Relations and the United States

While growing differences between the United States and Europe were already evident early on in the first Bush administration (e.g. death penalty, Kyoto Protocol, International Criminal Court), the conflict over Iraq produced the most consequential crisis in transatlantic relations, leading not only to serious divisions between the United States and Europe, but within Europe as well. Differences intensified over issues such as the utility and application of force, perceptions of threats and how to respond to them, and the validity of international laws and multilateral institutions in the prosecution of a nation-state's interests and in the protection of its security.

Traditionally, France has sought to convince Europe of the need for establishing a counterweight to American power. In this sense, France's opposition to the United States and its efforts to constrain U.S. actions were not as unexpected as Germany's efforts to do the same. Germany always has performed a mediating role between the United States and France, predicated on the position that Germany should never be forced to choose between the United States and its Atlanticist convictions, and France and its European roots. For the first time, Germany chose to side with France, rather than the United States.

One consequence has been the loss of the credibility that Germany accrued over the years through its multiple bridging functions that were central to Germany's external relations: as a bridge within the EU–between small and large EU states, old and new, rich and poor–and as a bridge between Washington and Paris. In jettisoning its traditional moderating role over the Iraq issue, Germany's ability to influence outcomes within Europe and in transatlantic relations has diminished.[9]

Germany's choices in Iraq have changed the relationship between France and Germany and Europe and the United States. The German and French governments are making visible efforts to reestablish a balance in the European-American relationship. If Germany and France want to repair the relations that have been frayed during the Iraq conflict, then they must help to establish a more interest-based relationship with the United States–that is, the two countries must help create a relationship with the United States that is based not on expectations of gratitude or moral pronouncements but, rather, on a coordinated, pragmatic approach to the problems at hand. Part of the success of the transatlantic relationship–as of the Franco-German tandem–has rested on the ability of each side to accommodate the other's interests. When these interests are ignored, conflict is unavoidable.

On the European side, a new transatlantic partnership will require the construction of a Europe capable of action that can work side by side with the United States. A close Franco-German partnership is critical to this goal, but must be wisely pursued.[10] The reaction of the smaller and newer member states to the recent Franco-German initiatives show that if the Franco-German tandem infuses the U.S.-European relationship with a high degree of antagonism, the tandem will not function within the EU, which works against the interests of other EU members.

On the U.S. side, there are voices urging the United States to redefine its relationship with Europe–in essence, to abandon America's long-standing support of continued European integration, particularly in foreign policy.[11] This recommendation, however, is counter-productive since the global threats facing both the United States and Europe require working together, with the unique set of capabilities–hard and soft power–that each side can bring to bear. An American pursuit of a divide-and-conquer strategy with Europe would undermine vital transatlantic cooperation to overcome such threats.

Conclusion: Future Leadership Challenges

Future Leadership in the EU

Part of the explanation for the weakening of the Franco-German tandem is structural; the expansion of the EU to 25 states changes the nature of decision-making in the EU, and two countries simply cannot manage the new EU by themselves. Also, the greater number of states has brought about a greater degree of diversity of opinions and philosophies–and visions–of a future Europe. Most new member states are more Atlanticist, more economically liberal, less beholden to the Franco-German couple and thus less willing to accept its leadership without questioning.

But the the future success of the Franco-German couple is not just a question of leadership, but about the political will to leave national interests aside in favor of European interests. Furthermore, disregard for and suspicion of the new, smaller member states and the two countries' violation of the EU's Stability and Growth Pact have contributed to its waning influence within the

EU. For decades European integration was the shared vision of many European states. With European integration now far advanced, there is no common vision of Europe. And since Germany and France do not share the same geostrategic, integrative vision of Europe, it may be difficult for the French and Germans to lead the other member states in defining European boundaries and form.

If the Franco-German tandem is a necessary but no longer sufficient condition for progress in European integration, what follows? Is there an alternative? For the foreseeable future the answer is no, at least not in the short-term. The Franco-German tandem will continue to be a central player, in large part because of its extensive institutionalized structure, but it will not be the same tandem. What would take its place? Other suggested "directoires" or a trilateral UK-French-German trilateral arrangement are not viable primarily because their development would be seen by small states as a move to dominate them and would be opposed.[12] The most plausible outcome would be a dynamic style of European leadership based on shifting coalitions, depending on the issues and interests of the member states. Salience and experience will in part determine the coalition.

In a Europe of shifting alliances, the Franco-German tandem could still play a critical role, since it can be pivotal in assisting the construction of coalitions in an enlarged Europe. But in order for the tandem to succeed in this new role, it must show its willingness to serve European interests before national interests. The longevity of the Franco-German tandem will depend on whether it can find its way back to Europe.

Future Challenges Beyond Europe

Just as the Franco-German relationship can help create new constellations of member states to advance EU aims, so, too, can the French and German governments be central in advancing the transatlantic agenda. There are great challenges to be met:

THE BROADER MIDDLE EAST

The strategic goal of a politically and economically stable Middle East will require the long-term, active involvement of the United States and the EU. The list of challenges is long: Afghanistan and Iraq; the Israeli-Palestinian conflict; immigration; the security of energy sources; encouraging the construction of democratic structures and practices. The EU has been increasingly engaged in the Middle East; it instituted the Barcelona Process in 1995 to build dialogue and cooperation in three areas: political and security affairs; trade; and social/cultural affairs. Individual countries–France, Germany, the UK–also are actively involved in the region. Germany, especially, can play a central role in the peace process since the German government–and Foreign Minister Joschka Fischer in particular–has good relations with the Palestinians as well as the Israelis. The EU's experience in conflict resolution and effective application of "soft power" can complement the American role in ways that could bring about some movement in the current political impasse. This will require the Europeans to reach a consensus on a common policy vis-à-vis the Middle East, and France and Germany can play a constructive role in shaping that consensus. But no workable solution to the conflicts in the Middle East can be achieved without the full participation of the United States. As has been the case for quite some time, the need to find a solution to the Israeli-Palestinian conflict is pivotal, and while the Europeans can participate through the Quartet, it is only through the active involvement of the United States that a workable compromise can be arranged. Thus it is incumbent on the United States as well as France, Germany, and the rest of Europe to find ways of collaborating in the Broader Middle East.

Ulrike Guérot and Sylvie Goulard at the AICGS Franco German Workshop in Berlin, Germany, May 2002.

- *Iran.* The growing conflict with Iran and its nuclear ambitions will be the next real test for transatlantic relations. France and Germany, along with the UK (the "EU3"), have actively pursued negotiations with Iran to persuade Iran to abandon its purported aim to build nuclear weapons. Efforts by the EU3 in 2003 resulted in an agreement whereby Iran agreed to freeze uranium enrichment-related activities and to cooperate with the IAEA. Iran later admitted violating that agreement. A second round of negotiations was launched and resulted in a second agreement by the Iranian government to suspend all enrichment processing activities in exchange for long-term negotiations with the EU on other issues, such as access to nuclear technology and trade, and security concerns in the region.

The stakes for the EU and transatlantic relations are very high. The case of Iran has the potential to be a highly decisive issue, and the way it is handled will cast the dye for transatlantic relations for a long time to come. The Bush administration refuses to negotiate with Iran. Some U.S. analysts say that the European position is all carrot and no stick, and that when push comes to shove the Europeans will refuse to use the sticks anyway. The Europeans argue that the U.S. policy of containment will not force Iran to cooperate. The critical question is what incentives the United States and its European allies can use that will prove effective. The hope is that a diplomatic solution can, in fact, be found, before other measures are considered. For this to occur, close transatlantic cooperation is critical, in large measure because the European initiative cannot address the security concerns that are motivating Iran's nuclear ambitions—only the United States can do so. Creating a regional security framework that addresses the legitimate security concerns of Iran and that has a regional economic component could go a long way in resolving important aspects of the problem.[13]

- *Islam and the West.* The relationship of Western countries to Islam is sensitive and complex. The United States and Europe face a set of challenges in this regard that have both domestic and international implications. Germany and France are confronting their own set of internal dilemmas related to religion, the nation, and politics—namely, the challenges of integrating Muslims into the countries' political and social life and, conversely, of arriving at a new consensus on national identity in an increasingly multicultural Europe. In the United States, perspectives on the relationship between western democracies and Islam are shaped decisively by fears of Islamic fundamentalism and global terrorism. Here it is important to understand the increasingly transnational nature of Islam and the appeal of radical forms of the religion, and why such radical strains are embraced by so many Muslims living in Europe. On either side of the Atlantic, the issue has led to rising fears and a recognized need to come to terms with a new political force in international relations that will frame public policy debates related to the transatlantic agenda. ■

Notes

1 With pressure mounting in late 2002 to break the impasse over agricultural reforms (CAP), a necessary step to keep the ratification of the accession treaties on track, the French and German governments finally moved to reestablish momentum hammering out a deal to limit the cost of the CAP after enlargement. During the constitutional convention the two countries pushed through a series of working papers on institutional reforms (paper on dual presidency), economic policy, in the area of justice and home affairs, and on defense. See Thomas Klau, "France and Germany: A re-marriage of convenience," The Brookings Institution, U.S.-France Analysis Series, January 2003.

2 Quoted in "France Feels the Cold in a Wider EU: Barroso Meets Chirac Today Amid Intense Debate over Paris's Declining Influence," George Parker and Jo Johnson, *Financial Times*, September 22, 2004, p. 11.

3 See, for example, "Germany and France Driving EU, to Distraction of other Members; Two Say Close Relationship Does Not Harm Europe's Interests," John Burgess, *The Washington Post*, February 22, 2004, A25.

4 For a very detailed discussion of the ratification process and possible outcomes, see *A Guide to the Referenda on the EU Constitutional Treaty*, Daniel Keohane, Centre for European Reform, publication dated October 27, 2004.

5 See "Another stab at the stability pact; European Government Finances," economist.com, September 8, 2004.

6 See "Conjuring Tricks and Sleights of Hand: Germany Struggles with the Stability Pact; Fiscal Management: The Eurozone's Most Powerful Economy is Set to Breach the Deficit Agreement for a Fourth Successive Year." Bertrand Benoit and George Parker, *Financial Times*, December 13, 2004, p. 19.

7 This is ironic, because recent public opinion polls in Europe have shown that while European publics want a stronger EU and support ESDP, they appear unwilling to pay for it. See *Transatlantic Trends 2004*, The German Marshall Fund of the United States, Washington, D.C., 2004. The report can be found on the Transatlantic Trends website: www.transatlantictrends.org.

8 See Anne-Marie Le Gloannec, "Why the French and Germans should Reconstruct their Cooperation," AICGS Essay, http://www.aicgs.org/research/francogerm/gloannec.shtml.

9 See in particular Ulrike Guérot's article "Deutschlands Konflikt mit Frankreich," *Süddeutsche Zeitung*, October 23, 2003: http://www.sueddeutsche.de/sz/politik/redpartikel11090. She argues that the future of Europe will depend on which bridging functions—to the United States, France, the UK, to Eastern Europe, and to the small EU member states—Germany will continue to carry, and which it will sever.

10 For a "thought experiment" on Germany's choice between Paris and Washington, see "In dubio pro Francia/pro America?" Andreas Jacobs/Karl-Heinz Kamp, *Die Politische Meinung*, No. 412, March 2004, pp. 63-72.

11 See "Saving NATO from Europe," Jeffrey L. Cimbalo, *Foreign Affairs*, November/December 2004, pp. 111-120; John Hulsman, "A Conservative Vision for U.S. Policy Towards Europe," John Hulsman and Nile Gardiner, *Heritage Foundation Backgrounder*, No. 1803, October 4, 2004. See also Hulsman, "Cherry-Picking: Preventing the Emergence of a Permanent Franco-German-Russian Alliance," *Heritage Foundation Backgrounder*, No. 1682, August 28, 2003.

12 Franciszek Draus quotes Adam Michnik from a June 8, 2003 article in *Le Monde*, "We are prepared to share our sovereignty. But not within a European Union dominated by France and Germany. That would be too reminiscent of the times when our country was merely a satellite of the Soviet Union." See Draus, "The Central and Eastern European Countries and Franco-German Cooperation," in *A View From Outside: The Franco-German Couple as Seen by their Partners*, Matthew Browne, Carlos Closa, Soren Dosenrode, Franciszek Draus, Philippe de Schoutheete and Jeremy Shapiro, *Notre Europe*, Groupement D'etudes et de recherches, Research and European Issues No. 33, April 2004, p. 24. The publication is a collection of papers that outline the views of British, Spanish, Danish, East European, Belgian, and American views on the Franco-German tandem.

13 As Steven Cook and Ray Takeyh write, "Such interlocking security and economic arrangements would give Iran … a stake in upholding a status quo compatible with its national interests. An Iran that enjoys favourable commercial ties with its neighbours, a proper relationship with its historic Iraqi competitor and better relations with its perennial US foe may be persuaded that its nuclear plans no longer serve a viable need." *Financial Times*, October 14, 2004, p. 17.

AICGS Project on Franco-German Relations

The gathering consensus is that the Franco-German tandem is a necessary but no longer sufficient driver of European integration, though it is not clear what type of arrangement will provide the kind of impetus that has defined the Franco-German partnership over the years, and will be needed to manage an enlarged EU of 25 and an evolving European Security and Defense Policy (ESDP). External changes and domestic transformations have altered the balance of the partnership and shifted the ground under its feet. The prestige and credibility of the Franco-German tandem, as well as its effectiveness, have declined, though no clear alternative appears likely.

For the tandem to remain relevant, France and Germany must:

- Reinvigorate the established system of consensus-building and regular consultation with other EU member states;
- Refocus on the process of furthering European interests, in tandem with their European partners;
- Recognize that the tandem must be flexible enough to incorporate other member states depending on the issues and interests at hand;
- Acknowledge that the effectiveness of the tandem is also a function of good relations with the United States; as such developing a stronger EU must not come at the expense of building a counterweight to the United States.

Franco-German Relations: Leadership in a Changing World

Located in Washington, D.C., the American Institute for Contemporary German Studies is an independent, non-profit public policy organization that works in Germany and the United States to address current and emerging policy challenges. Founded in 1983, the Institute is affiliated with The Johns Hopkins University. The Institute is governed by its own Board of Trustees, which includes prominent German and American leaders from the business, policy, and academic communities.

AICGS

AMERICAN INSTITUTE
FOR CONTEMPORARY
GERMAN STUDIES

THE JOHNS HOPKINS UNIVERSITY

1755 Massachusetts Ave., NW
Suite 700
Washington, D.C. 20036 – USA
T: (+1-202) 332-9312
F: (+1-202) 265-9531
E: info@aicgs.org
www.aicgs.org