

The ‘Franco-German duo’ and plans for an economic, monetary, political and military Europe

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The signing of the [Maastricht Treaty](#) on 7 February 1992 marked the culmination of a diplomatic process that had begun barely twenty months before. In light of the prospect of German reunification, the Twelve revealed an appetite for renewal, a desire to make up the democratic deficit of the Community institutions. France and Germany actually set things in motion with a [letter](#) from President François Mitterrand and Chancellor Helmut Kohl dated 18 April, in the run-up to the [Dublin European Council](#) held on 28 April 1990, urging the Council to speed up the political integration of Europe and, to this end, convene an intergovernmental conference (IGC). They proposed four objectives: to enhance the democratic legitimacy of the Union called for by Germany and the European Parliament, to make the institutions more effective by extending majority voting in the Council of Ministers and, by expanding the role of the European Council, to ensure the unity and coherence of the activities of the Union in the economic, monetary and political spheres and to make its activities more comprehensible for the man in the street, and finally — this was a major challenge — to define and establish a common foreign and security policy.

Another thorny issue was the idea of a European security and defence identity that would be compatible with NATO, as advocated in particular by the British and the Italians, while the French and Germans preferred a degree of autonomy for Europe in this area. On 14 October 1991, President Mitterrand and Chancellor Kohl sent a joint letter to the President of the European Council. They suggested that the common foreign and security policy (CFSP) should include all the issues concerning security and defence and that the Union’s decisions in this regard should be implemented by [Western European Union \(WEU\)](#), the only military organisation among the Twelve (or rather the Eleven, since Ireland was neutral), without affecting their legal obligations with regard to NATO. WEU would therefore become the European Union’s ‘[fighting force](#)’ and would have the power to cooperate with NATO. In principle, the partners accepted the proposals, all the more so because the Americans accepted the [European identity and defence project](#) at the [Rome Atlantic Council](#) held on 7 and 8 November. François Mitterrand and Helmut Kohl also stated their intention of strengthening their military cooperation by creating a [Franco-German army corps](#) that would form the nucleus of a European corps. At the 59th Franco-German summit in La Rochelle on 22 May 1992, François Mitterrand and Helmut Kohl announced the official decision to create the [Eurocorps](#), which was formally established by the [La Rochelle Report](#).

Finally, it was the Franco-German partnership that once again led the course of events in a [decisive direction](#). On 6 December, President Mitterrand and Chancellor Kohl addressed a letter to their partners, outlining their vision of the [future political union](#). They proposed an extension of the Community’s powers in the areas of the environment, health, social policy, energy, research and technology, and consumer protection. They also proposed that the Union’s powers be extended in the areas of immigration, visa policy, right of asylum and international crime. They approved the institution of a ‘European citizenship’, which the Spanish Prime Minister, Felipe González, had proposed. They wanted to strengthen the Community institutions (legislative codecision powers for the European Parliament and Council, Parliament’s confirmation of the appointment by the Council of the President of the Commission and the extension of qualified majority voting in the Council), but they insisted on the crucial role that the European Council in the composition of the Heads of State or Government had to play as ‘the referee [...] and promoter of a coherent consolidation of integration’ and that its role and its missions should be enhanced to this end, with particular regard to the common foreign and security policy, which should ‘eventually result in a common defence’. Both signatories declared that ‘the entire Atlantic Alliance would be reinforced by enhancing the role and responsibilities of Europeans and by the establishment therein of a European pillar’.

The governments of the Twelve also committed themselves to securing the [ratification of the Treaty](#)

[on European Union](#) before the end of 1992, but they underestimated the difficulties that it would encounter. The fate of the Treaty lay truly in the hands of France, which, along with Germany, had been behind it. [Opposition](#) from some Gaullist MPs, all the Communists and a few Socialists became apparent once the Constitution had been revised, an essential prerequisite for ratification, and was encouraged by the [Danish 'No' vote](#). That is why, on 3 June, instead of having the decision taken by Parliament, President François Mitterrand decided to hold a referendum, the success of which would be guaranteed, according to the polls. The date set was 20 September 1992. It would have been an ideal opportunity to hold an in-depth debate on the ultimate objectives of and procedures for European integration and to heighten awareness among the French about the Europe of the Twelve, its institutions and achievements. Yet this was a difficult task because of the complex nature of the Community system. As for the Treaty of Maastricht, a copy of the text in full was sent to every voter, but it confused the great majority of those — not very many — who might have tried to read it. The often extreme criticisms levelled by [opponents](#) to the Treaty and European integration had a greater impact. The [referendum held on 20 September 1992](#) saw a high turnout (69 % of registered voters), and the ['Yes' vote](#) won by only a narrow margin, securing 51.04 % of the vote.

The Germans expressed concern regarding the single currency, which involved the disappearance of the [Deutschmark](#), an instrument and symbol of German economic power, and also regarding the considerable 'No' vote in the French referendum and the transfer of certain powers from the German *Länder* to Brussels. A revision of the Basic Law, required to bring it into line with the Treaty, allowed the Bundestag to approve the ratification by an overwhelming majority on 2 December. However, the deposition of the instruments of ratification was delayed by several actions brought before the Constitutional Court, which, in its [ruling of 12 October 1993](#), deemed the Treaty compatible with the Basic Law but placed restrictions on the development of the European Union, which should not attribute to itself more powers nor raise its own taxes, taking the view that the European Parliament did not possess sufficient powers and legitimacy.

The Treaty of Maastricht was finally able to enter [into force on 1 November 1993](#).

When [Jacques Chirac](#) became President of France in 1995, despite efforts by France and Germany to adopt a common line on European issues, Franco-German relations seemed [to run out of steam](#).

The first bone of contention was the [single currency](#), a vital element of the Treaty of Maastricht. Although France and Germany agreed in principle, their views differed on the actual aims of the single currency. For France, the currency was to be the instrument of a neo-Keynesian policy to combat unemployment, while Germany believed that the best way to overcome employment was through structural reforms and that monetary policy should remain neutral and independent from the governments. While France was in favour of the formation of an 'economic government' alongside the [European Central Bank \(ECB\)](#), Germany was opposed to this idea, which it claimed would compromise the ECB's independence. Finally, Germany would only accept an informal grouping of the Finance Ministers of the euro zone states, limited to consultation, maintaining that decisions should be taken by the Ecofin Council, which was composed of all EU members.

A further area of divergence was the adoption of a '[Stability Pact](#)', which Germany had been proposing since 1995, to ensure that states would continue to apply the Maastricht criteria after they joined the euro zone. In the absence of such a mechanism, the Germans feared having to make financial transfers and increase the EU budget. The French, in particular the socialist government, saw it as an obstacle to an economic recovery. But they were forced to accept, although Chirac insisted that 'growth' be added to the title ('Stability and Growth Pact') and secured that the sanctions imposed on under-performing countries should not be applied automatically but on decision by the Council. Ironically, it was to achieve the 'suspension' of the Pact by the Council on 28 November 2003 that the Franco-German tandem was recreated, since the two countries were unable to bring

their deficits below 3 %.

With regard to the ECB, [Chirac met with opposition from Kohl](#) when he demanded that the term of Dutch President [Wim Duisenberg](#) be shortened so that he could be replaced by [Jean-Claude Trichet](#), Governor of the Banque de France. This weakened the Chancellor's position in Germany in the run-up to the elections, which he lost.

The differences between the two countries also became apparent at the European Council held on 24 and 25 March 1999 in Berlin. They clashed over the Community budget, with Germany, the EU's main net contributor, calling for a reduction of spending on the [CAP](#), an idea strongly opposed by France, the CAP's main beneficiary. Tensions ran high at the [Berlin European Council](#), chaired by recently elected Chancellor [Gerhard Schröder](#), who was forced to yield in the face of Chirac's relentless determination to defend Community aid to farmers. The two men reached a compromise at the [Brussels European Council](#) (24–25 October 2002), with Chirac securing agreement that agricultural spending be maintained until 2013, although it would be capped, despite the enlargement from 15 to 27 countries, even if that meant limiting the aids for which new members would be eligible. In 2003, Chirac successfully limited the CAP reform put forward by the Commission, which proposed the 'decoupling' of direct aid and production, by securing derogations. This time he was supported by Schröder, who was concerned for German farmers.

The end of the 1990s saw the launch of the [historic process of enlargement](#) of the European Union to include the countries of Central and Eastern Europe (CEECs), Cyprus and Malta. This was the result of the crucial reforms in the economic, political and social systems of the countries of Eastern Europe following their liberation from the Communist yoke. It also marked the end of the [division between the two Europes](#), which had been separated since the end of the Second World War by the Cold War and the Berlin Wall. Accession negotiations with the 12 applicant countries opened in 1998 and were scheduled to be completed, for those countries ready to accede, by the end of 2002. Questions remained, however, about how the new Member States would be represented in the institutions (the number of votes in the Council and the number of Commissioners, Members of the European Parliament and representatives on the consultative committees that they would have). These issues had been resolved without too much difficulty for the previous enlargements, but this time a dozen new countries were expected to accede, taking the number of [Member States from 15 to 27](#). It was a major quantitative and qualitative change, one which required institutional reform if the risk of paralysis was to be avoided and enlargement made to work for the continent of Europe as a whole. The implications were, therefore, considerable. Differences between [France and Germany](#) became apparent on the question of enlargement, since Chancellor Schröder was keen to work more openly for the interests of his country and to consolidate [Germany's rôle on the international stage](#).

Apart from the two countries' shared wish to see majority voting in the Council extended, the main outcome of the [Franco-German summit in Vittel](#) on 10 November 2000 was to confirm that they disagreed about the [weighting of votes and a mechanism for reflecting population size](#), and about the number of Commissioners — France, on the one hand, seeking a reduction on the grounds of efficiency and Germany, on the other, ready to accept a big Commission, provided it was offset by increased powers for the European Parliament, something which France opposed. With regard to the enlargement of the European Union, Germany accepted the French view that this was not the right time to discuss it but insisted that the European Council should take a decision on the subsequent opening of negotiations. With France and Germany disunited, the other large countries could give no real lead. Moreover, the French Council Presidency was [weakened](#) by the fact that France had a right-wing President and a left-wing Prime Minister. Since the President and the Prime Minister of the Republic had different priorities, they could not agree on a real strategy. Lionel Jospin's special concerns were the Charter of Fundamental Rights and the social agenda, whereas Jacques Chirac focused on institutional problems. President Chirac led the negotiations with a determination to see

them through to a successful conclusion and an authority that some regarded as [arrogant](#) and geared more to defending French interests than to seeking an overall satisfactory solution.

[Nice](#) was the venue for the European Council meeting which was to determine the amendments to be made to the Treaty on European Union. It was held on 7, 8 and 9 December 2000 at the end of the French Presidency and was the longest Council meeting ever held, largely because the governments involved disagreed so strongly on the issue of [institutional reform](#).

The debate became very difficult when the European Council addressed the matter of [Member States' representation](#) within the enlarged institutions. At issue was the delicate balance amongst the various bodies and, above all, the 'weight' of each Member State within each institution; that is to say, its ability to influence European Union policies and potentially oppose them. Whilst the objective, in principle, was still to preserve the efficiency of the decision-making process despite the increase in the number of Member States, the governments' prime concern was to advance their own national interests. The debate was all the fiercer in that the result would be a global 'package' resulting from horse-trading and compromises. It assumed a future European Union of 27 Member States: the Fifteen, plus the Twelve currently conducting accession talks.

There was only partial agreement on the composition of the Commission. The French President Chirac and the German Chancellor Schröder thought that a Commission with too many members would lose cohesion and efficiency. They therefore agreed, along with Italy, the United Kingdom and Spain, to give up their entitlement to a second Commissioner in order to keep the numbers down. But the 'small' Member States already in the Union or about to accede insisted that they should have one Commissioner each. For reasons of prestige, all the Member States wanted one of their nationals to be a member of the Commission.

Accordingly, the Treaty ruled that the 'big five' would have only one Commissioner each as of 1 January 2005, like the other Member States. Upon accession, each of the new Member States would be entitled to appoint one Commissioner. Only after the accession of the 27th Member State would the Council, acting unanimously, agree to determine the number of members of the Commission. So the question of an excessively large Commission was not resolved at Nice.

The Amsterdam Treaty had capped the number of Members of the [European Parliament](#) at 700. But while the European Parliament representing the Fifteen had had 626 seats, that of the 27-Member State Union would have 732. This meant that the number of MEPs for the existing Member States had to be reduced. Germany was the exception, holding on to the 99 seats that it had been allocated after reunification in time for the 1994 elections.

Very little progress was made on extending [qualified majority voting](#) in the Council. The bigger Member States were keen to retain unanimity, that is to say their veto, on subjects which they regarded as very important to them. Chancellor Schröder, previously very much in favour of majority voting, had become more reticent as a result of the reluctance of the *Länder* to see their powers reduced by Community legislation, particularly in the areas of immigration, visas, asylum, culture and the environment. Reform of the constitution in 1993 in fact gave the *Länder* a right of codecision with the Federal Government on European matters, which explains why the Federal Government felt that it had to retain the option of a veto.

With regard to qualified majority voting, the most important factor is the weighting of votes in the Council of Ministers; that is to say, how they are allocated amongst the Member States. At Nice, this was the final item addressed by the European Council and the most contentious, since the Member States were eager to maximise their ability to influence decisions taken by qualified majority. The larger Member States feared that, with the accession of 12 new Member States, of medium or small

size (except for Poland), they might find themselves in a minority position. Furthermore, France and Germany had given up their right to two Commissioners each in return for an increase in their voting power in the Council of Ministers.

The Commission put forward a simple solution: a decision would be adopted only if it was supported by a numerical majority of Member States and a majority of the total population of the Union. This would work to Germany's advantage, as its 'weight' would be greater. But this dual majority principle, though simple and readily comprehensible to the man in the street, was not upheld because it represented too much of a departure from the balances already solidly established amongst the older Member States. Account had to be taken of inequalities in population, however. But France wanted to retain parity with Germany, a political principle upheld since the very dawn of the Communities but latterly challenged by the reunified Germany, which had already been granted increased representation in the European Parliament and now wanted more votes in the Council than the other large Member States. President Chirac was against this, despite the difference in population (82 million in Germany compared with 59 million in France). It was, therefore, decided that France and Germany should each have 29 votes.

For a total of 27 Member States, the total number of votes would thus be 345, and a qualified majority would be 258 votes in the case of a decision on a Commission proposal. In other cases, the majority of 258 votes had to reflect the votes of at least two thirds of the Member States. The threshold for a qualified majority in the Union of 27 would thus be almost 74 %, which was higher than in the Fifteen and meant that it would be harder for a decision to be adopted. Germany, moreover, insisted on a third condition which ensured that its demographic 'weight' was taken into consideration: when a decision was taken by qualified majority, a Council member could ask for verification of whether that majority represented at least 62 % of the Union's total population. If it did not, the decision could not be adopted.

Accordingly, far from making decision-making in an enlarged Union easier, the Treaty of Nice made it more difficult by imposing three conditions: weighted majority of votes, numerical majority of the Member States, majority of the Union's population. The European Council did not adopt these provisions until 4.20 a.m. on Monday 11 December, after a very lively debate which left everyone exhausted. That is why the figures were approximate and sometimes contradictory, because they were the result of last-minute concessions. The diplomats would need time to finalise the text, which would not be signed until 26 February 2001.

The Treaty of Nice certainly made enlargement possible by establishing the place of the new Member States within the EU institutions, but it did not address the major issues surrounding the future of the Union, and it highlighted, once again, the inadequacies of the method of intergovernmental negotiation.

That is why, at Germany's instigation, a 'Declaration on the future of the Union' was annexed to the Treaty. This instructed the Swedish and Belgian Presidencies in 2001 to hold wide-ranging discussions and to report back in December 2001 to the European Council to be held in Laeken (Brussels), which would initiate the measures required to establish a delimitation of competences between the Union and the Member States (as demanded by the *Länder*), address the status of the Charter of Fundamental Rights, simplify the treaties and define the role of national parliaments in the European architecture. From early 2001, Germany would revive the debate on the future of the Union, something which France thought premature, and, on 30 April, Chancellor Schröder would express his support for greater integration.

The French Government was happy to have secured a compromise which facilitated the accession of the new Member States, but when Jacques Chirac, President-in-Office of the Council of the European

Union, [presented the Treaty](#) to the European Parliament on 12 December 2000, he was severely criticised by the leaders of the political groups and by the President of the European Commission, Romano Prodi. Parliament approved the Treaty's provisions on the Commission and on enhanced cooperation, but it was unhappy that the Charter of Fundamental Rights of the Union had not been made an integral part of the Treaty, unhappy with the limitations placed on the extension of the codecision procedure between Council and Parliament, unhappy that the cap of 700 MEPs for the future enlarged Europe had been exceeded and unhappy with the national allocation of seats. On 14 December, the European Parliament adopted a resolution which accused the governments of having given 'priority to their short-term national interests rather than to EU interests'. The Treaty of Nice was signed on 26 February 2001, as soon as the diplomats had checked all the figures, and it came into force on 1 February 2003.

At the end, Germany did not secure the few votes — or even the symbolic vote — that it was demanding in the Council on the basis of its greater population size, but it did win the possibility for this to be taken into account by having adopted the requirement that 62 % of the Union's population was needed to confirm Council decisions taken by a weighted majority. Moreover, Germany was the only Member State not to see a reduction in its representation in the European Parliament — already increased following reunification — with the increase from 15 to 27 Member States. Above all, it was Germany that appeared most determined to move forward with political integration, securing the convening of a new intergovernmental conference (IGC). France, on the other hand, although it maintained formal parity with Germany in the Council, had its position weakened by giving the impression that it was clinging to the status quo without offering a vision of the way forward, as it had done in the past. At all events, the Franco-German pairing had not played its role as a dynamic force and needed to be restored.

After Nice, the German and French leaders would respond in order to restore their good relations, move their positions closer together and attempt to speak with a single voice. On 30 January 2001, [Joschka Fischer](#), the German Minister for Foreign Affairs, declared that European integration could succeed and would succeed only if France and Germany made it a common cause. The French President, Jacques Chirac, responded on 21 February, speaking of the need for the two countries to be able to drive forward all of Europe. In fact, it was the agreement reached by the two countries which would make it possible for the Convention on the Future of Europe to be established, the body which was to produce a draft European Constitution with a view to the new IGC planned for 2004.