

IS THE FRANCO-GERMAN ALLIANCE VITAL FOR THE EU?

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Annotation. The European Union has faced many severe tests in recent years: the euro crisis, the refugee crisis, the Russian annexation of Crimea, the vote for Brexit and the election of a US president. It is argued that Europe's political and economic future is dependent on the key Franco-German alliance being re-established after important national elections on the continent this year. Meanwhile, Germany is expanding its force potential and France is claiming to become one of the most powerful militant countries in the EU. That's why the necessity of their cooperation is ambiguous.

Key words: The European Union, Franco-German relations, Brexit, Franco-German alliance, military potential, French presidential election

The European Union seems to be moving from one emergency to the next. Europe's leaders are in crisis-fighting mode: a changing leadership in the United States, globally increased defense spending, violent conflicts, mass migration, Brexit, and the Russian annexation of Crimea.

In these conditions main questions appear. How closely aligned are French and German views on EU issues? Can these two countries be the cornerstone for the EU's proposed 'Defence Union'? How far are these aligned with European priorities?

First and foremost, a current EU situation should be considered. The immediate economic concerns that dominated the European agenda in 2008–2014 are lessening (Figure 1). The cyclical upswing in the European economy, however, must not make governments complacent about the need for reforms. Faced with stagnating or shrinking workingage populations, European countries simply must fix their productivity problem to generate long-term growth. At the end of 2015, migration topped the list of European concerns in all but one EU countries and it's still there (Figure 2).

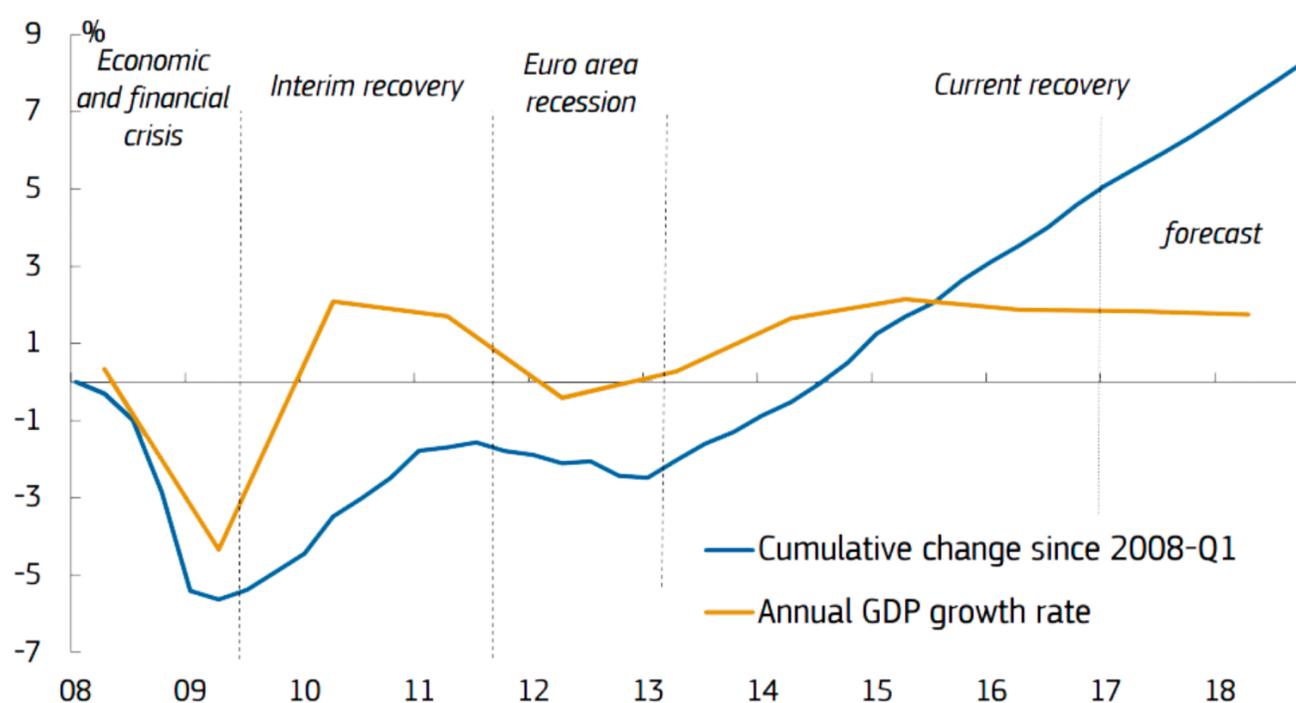


Figure 1. EU GDP: annual growth rate and cumulative change, 2008–2018
(Source: European economic forecast. – Winter 2017)

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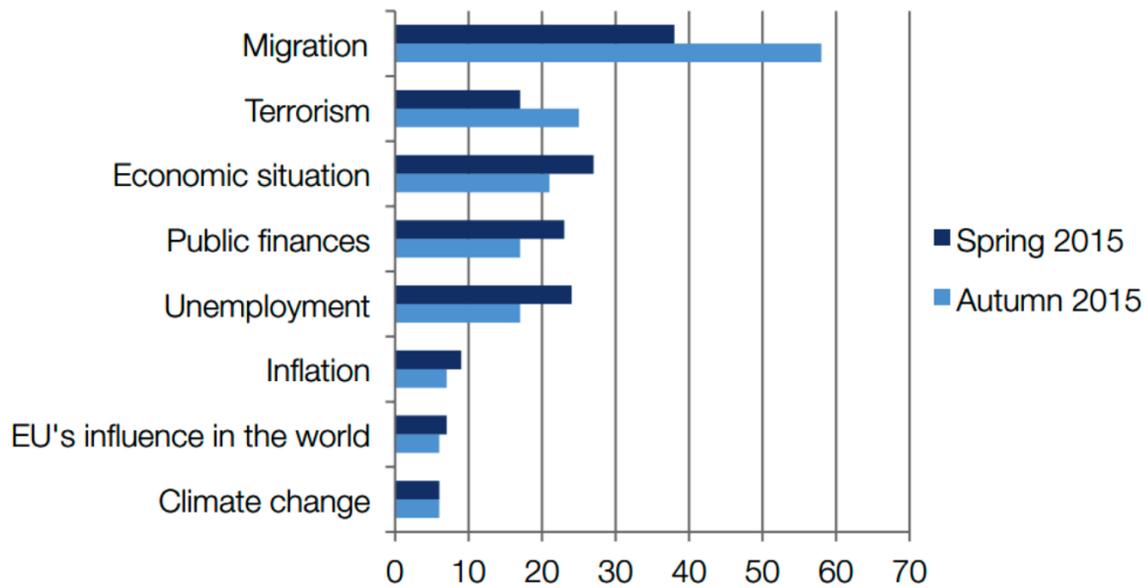


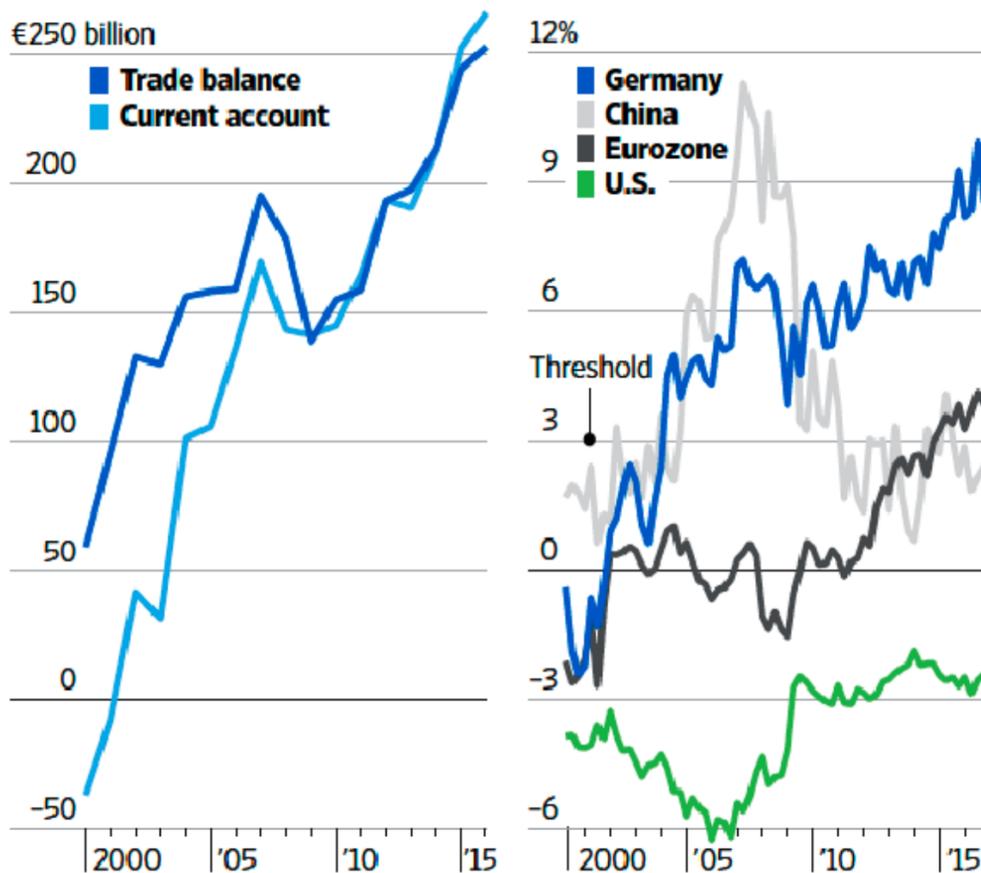
Figure 2. What do you think are the most important issues facing the EU at the moment? (in %) Source: Europe: What to watch out for in 2016–2017. – Global Agenda Council on Europe. – February 2016

External political challenges also abound: an unpredictable and revisionist Russia and the meltdown in the Middle East are confronting Europe with geopolitical threats of almost unprecedented complexity.

Another critical question concerns the United Kingdom’s future in the EU. Brexit is the burning and noteworthy issue because of its consequentiality. In these conditions France and Germany become the focus of interest, because their moves will have an impact on a future of EU.

It is obvious that Germany is in a better economic position than France. Germany’s exports exceeded its imports by the widest yearly margin on record last year, a sign of the strength of Europe’s biggest economy that could inflame tensions between Washington and Berlin over their trade relations.

Germany’s trade surplus — or the balance of exports and imports of goods—rose to €252.9 billion (\$270.58 billion), marking the highest surplus since records began after World War II (Figure 3).



Note: €1 = \$1.07 Sources: German Federal Statistics Office (trade balance); Bundesbank (current account); Organization for Economic Cooperation and Development (as a percent)

Figure 3. Germany’s trade balance (Source: Wall Street Journal)

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The German data follow recent criticism by President Donald Trump's administration of Germany's dependence on foreign demand. At the meantime Wolfgang Schaeuble, the German finance minister denied that his country manipulated the euro to gain a trade advantage against countries like the U.S. Europe is in a "very difficult" situation and all efforts are needed to ensure its stability. What is more, Schaeuble assures that Germany alone wouldn't be able to hold Europe together, so Germany needs a strong France.

French mass media admits that France and Italy can consolidate their positions, but Germany wins in terms of financial position. Nevertheless, France can count on the return of its influence in the EU in terms of defense and security. France is the only state in the UN Security Council that has significant nuclear potential. That makes it an especially valuable ally for the leading military powers.

Germany and France had drawn up plans for closer EU defence cooperation, including a new military HQ and swifter deployment of overseas missions. The UK had in the past opposed steps toward the creation of an EU army or duplication of Nato structures. In response the Franco-German paper [Le Figaro] says that "taking into account the United Kingdom's decision to leave the EU, we have to henceforth act as 27 [member states]". It calls for a single EU budget for military research and for joint procurement of air-lift, satellite, cyber-defence assets and surveillance drones, in a programme to be coordinated by the European Defence Agency.

France and Germany earlier in August already put forward a blueprint for EU internal security cooperation, including an EU border guard force and better intelligence sharing on terrorism.

EU's concerns in this direction are fair enough. France, the second-largest euro economy, has seen a rise in anti-EU sentiment as the country comes closer to a presidential election in late April.

The far-right candidate Marine Le Pen, who has pledged to take France out of the euro, is currently placing first in projections for the first round. However, polls indicate that she is likely to lose the second round of the vote to the centrist candidate Emmanuel Macron. But Macron himself, a relatively new face in French politics, is often seen as an alternative to the establishment.

Adding to the uncertainty, Germans go to the polls to choose a new chancellor in September. Polls suggest that the powerful Angela Merkel could be overtaken at the ballot by her socialist rival. Merkel has been in power for more than 11 years, however, it doesn't seem that the German chancellor is "tired at all."

The Franco-German relationship has been fundamental to develop the European Union over its 60 years of existence. If France and Germany cooperated seriously, it would make a difference to Europe's security: the two countries represent about 40 % of Europe's overall capabilities and of Europe's combined defense budgets. The impact on Europe's single set of forces would be considerable. A Franco-German approach does not always have to be accessible to all other European states but it does have to refer to its final objective: strengthening Europe's security.

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