

Brexit: What Fair Deal between UK and EU Member States ?

FRANCE: THE UK SHOULD REMAIN BUT NOT AT ALL COSTS

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No one has forgotten that UK's request to join the European Community was the cause of great resistance on the part of French President Charles de Gaulle in the 1960's. On two occasions in 1963 and 1967 De Gaulle used his veto to the UK's membership, deeming above all that London's "special relationship" with Washington meant that the country was not a sufficiently independent partner to provide inspiration to the continental European project. The situation changed with the election in 1969 of Georges Pompidou who yielded to the UK's accession on the grounds of the balance of power. German economic successes and the launch of the Bonn's *Ostpolitik* with the countries of the Socialist Bloc were beginning to worry French diplomacy in terms of Germany's rising power. It was said then in Paris that the UK's membership of the European Community would be a useful means to balancing this rise.

Since January 1st 1973, when the UK joined the European Community, from Paris's point of view, the reason for good relations with London has always been more political than economic. Both countries are permanent members of the UN Security Council. They are the only ones to have a national defence policy that mobilises around 2% of their government spending. They have a tradition of military intervention and an arms industry. For a long time France mainly saw in the UK a pragmatic means to consolidate the European defence policy. Negotiations over this have not always been easy since London has insisted on recalling the priority given to NATO, whose Integrated Military Command France quit in 1966, only to re-join in 2009. The "Saint Malo Agreements" signed in 1998 by Jacques Chirac and Tony Blair did however enable the relaunch of the institutionalisation of the European defence policy – a commitment that London will find it difficult to adhere to in 2015 due to the debate over the Brexit.

Three reasons to keep the UK in

There is no doubt that the French government – at present on the left - but without there being any

great difference were it on the right – does not want the UK to leave the European Union definitively for at least three reasons.

The first reason is that Paris, as a founding member of the European Community, is convinced that the EU is a political experiment that would emerge seriously damaged by any disintegration. Although in principle the treaties provide for the departure of a Member State, this in fact would be seen as a clear sign of political failure that could feed European debate that is already quite morose in France. Any French government would indeed fear that official disintegration would strengthen the Eurosceptic rhetoric of the parties on the far right and far left, and also some Socialist Party and Republicans members. In 2015 there is not one French political party that openly campaigns for a total exit by France from the EU, unlike UKIP or some of the Conservatives in the UK. The Front National advocates France's exit of the euro area. But departure by the UK from the EU might tempt the Front National leaders to ramp up their claim to a higher level: total exit from the EU on the grounds that the British had now done it.

The second reason which obliges any French government to prevent the UK's exit from the EU is the objective convergence on diplomacy and defence, as well as on other issues, such as civilian nuclear matters. In terms of defence Paris has perfectly understood that Europe's participation in world security, increasingly alongside the Americans, means working with the British in ad hoc coalitions. It was with the UK and the USA that Paris decided to intervene in Libya in 2011 to bring Colonel Gadhafi's regime to an end. Regarding the conflicts in the Middle East and the fight to counter terrorism, exchange with the British diplomatic and intelligence services under the CFSP are still extremely useful resources to Paris. In a European Union in which the German partner is vital in many areas, but less in terms of defence due to its history, London is an asset that should not be dismissed so readily. The same applies to the promotion of civilian nuclear energy. British policy aiming to build new reactors is deemed as a support to French nuclear policy whilst Berlin has decided on a total halt to its nuclear power plants by 2022.

The third reason is geopolitical, i.e. it involves

the balance of power within the EU. The economic and financial crisis that started in 2008 has increased the differential in power between France and Germany. In 2015 Paris is suffering politically from not having succeeded, in spite of the Valls government's efforts, to implement structural reform as quickly as Germany, which for its part has enabled the country to reduce its unemployment rate and revive growth. Germany's ability to fulfil the macro-economic convergence criteria set by the treaties, whilst France is struggling to do so, strengthens the credibility and therefore Germany's political supremacy. As in the 1970's Paris wants London to remain a power that can balance out the central role played by Germany in the EU.

The French red lines

In October 2015 the French position on the Brexit has not been clearly set. The situation is however complicated due to the fact that Prime Minister Cameron has no interest in revealing his hand too quickly vis-à-vis his partners, since this would lead to Eurosceptics of his party demanding too many specific things. So for the time being there are discreet discussions between Paris and London focusing on the main issues. The French government is prepared to make concessions designed to rally the British to the "yes" during the referendum but certainly not at any cost. In Paris there are red lines surrounding any renegotiation that would strengthen the specific status the UK holds in the EU. The first is that British renegotiation would just be a pretext for a further reform of the European treaties. French government leaders believe that most of the present dysfunction in the EU (notably in the euro area) can be improved without meddling with the treaties. In Paris there is no desire for a further constitutional reform of the Union, because this would entail the huge risk of having to organise a referendum for its ratification. The negative result of the referendum on the European constitutional treaty in 2005 has meant that the French political class has adopted a very careful attitude to direct democracy. This is particularly true for François Hollande. In the French system of the 5th Republic a president who has to assume a negative referendum in fact loses all legitimacy. Moreover, since division over Europe is expressed in France within the

political parties rather than between left and right, François Hollande has no interest in risking any further division within the Socialist Party over Europe.

Secondly, France is firmly opposed to the fact that the four freedoms of movement – deemed to be a foundation of the treaties - being affected by any renegotiation with the UK. Sometimes David Cameron highlights the need to review the principle of social rights for workers from EU countries who have moved to the UK. Paris is totally against this, deeming that Britons can legitimately counter welfare fraud, but without challenging the *acquis* of European law. Although the flows have been less than those from Poland the number of French citizens employed in the UK is significant. In London they total 300,000, making the British capital the 7th city of France.

Thirdly, Paris supports the British idea of greater power being granted to national parliaments to monitor the principles of subsidiarity and proportionality in European law. A more systematic use of the monitoring mechanisms provided for in the Lisbon Treaty (the so-called "yellow card" and "orange card" system), which means that Europe's institutions have to review their approach, is considered to be totally acceptable. However, Paris rejects the idea of national parliaments being able to cancel a Commission proposal, as advocated by some in London, since this would mean modifying a fundamental *acquis* of European integration: the European Commission's power of initiative.

Finally, Paris is prepared to consider London's demands that aim to involve non-members of the euro area more in the decisions that affect the EU's economic future. France has already shown that it is open to the association of non-euro area members in the European Financial Stability Mechanism and Banking Union. However, Paris would never accept non-euro area members (and in particular those like the UK, who are voluntarily opting out) being able to enjoy a right of veto over Eurogroup decisions.

French Public Opinion and the Brexit

The negotiation agenda over the Brexit should be clearer to Paris, as it will to all of European partners after the European Council of December 2015. Although

for the time being there is no final French position on the Brexit, there is a general framework defining what is acceptable and what is not. French public opinion, which has been mobilised by the financial aid plans to Greece and the issue of distributing refugees, has expressed few precise views on the Brexit. There are also very few surveys that enable us to take the temperature of French opinion on this issue. A survey taken on 2nd June 2015¹ shows however that 43% of the French would support a Brexit, which is a high figure. It is however interesting to note that 50.5% of those interviewed aged 50-69 say they support the Brexit whilst 68% of the 15 to 29 year olds are against it. The young French person's view of the UK as a close, attractive labour market undoubtedly explains this difference in general perception. But in the end the UK's exit of the EU would be harder for government leaders (and also for businessmen) to accept in France than the French population which often assimilates the UK as being the spoke in the European Union's wheel.

1. To access the survey consult
<http://mingle-trend.respondi.com/fr/brexit-avis-des-francais-sondages/>