

Macron's Balancing Act in Europe

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This brief provides an overview of France's influence on the selection of the heads of the EU institutions and future thematic focus, in respect of developments within the EU since the European elections took place on 23-26 May 2019. It also assesses recent developments in Franco-Irish relations during this period. Further afield, the brief reviews President Macron's broader strategy on foreign policy at the G7 Summit and annual Conference of Ambassadors.

Electoral ebbs and flows

The European Parliament elections produced a disappointing result for President Macron's party, La République en Marche (LREM), as he marginally failed to defeat Marine Le Pen's Rassemblement National (RN) party. The new Green party, Europe Ecologie-Les Verts, performed strongly, taking third position.

President Macron launched an ambitious vision for reforming the EU as part of the election campaign drawing ideas from both left and right of centre. Part of its outreach strategy involved establishing relations with liberal and centrist parties in Europe and with the 'Renew Europe' political group in the European Parliament, formerly known as ALDE.

LREM secured two key positions in the European Parliament – Paul Canfin was selected as Chair of the Environment Committee (ENVI) and Nathalie Loiseau, former Minister for European Affairs, became Chair of the subcommittee on security and defence (SEDE).

Despite this, Macron's party has been less effective consolidating a so-called 'French team' of all 79 newly-elected MEPs, due to resistance from the left-wing and greens.

Institutional manoeuvres

As part of the nomination process for European Commissioners, French President Emmanuel Macron proposed the Deputy Governor of the Bank of France, Sylvie Goulard. Ms Goulard

served briefly as Defence Minister in 2017 and as Member of the European Parliament for two terms prior.

Ms Goulard's experience in economics and financial matters as well as European affairs, had been acknowledged by observers, and positioned her favourably for the role of Commissioner. Her nomination was confirmed on 10 September 2019 as the 'Internal Market' Commissioner, leading work on industrial policy and promoting the Digital Single Market. In addition, she will head a new Directorate-General for Defence Industry and Space. Though the announcement contrasted with earlier expressed French interest in two portfolios, (climate and economics), it indicated efforts by Paris to promote a European industrial policy and European strategic autonomy in the area of defence.

In her former role as MEP, Sylvie Goulard served as rapporteur on a number of significant economic and financial cases in the EU, notably on Eurozone governance, and as shadow rapporteur on the banking union. Ms Goulard is also a strong advocate for the Franco-German relationship.

Following the announcement of Commissioner portfolios, the nomination hearings will now take place in the European Parliament between 30 September and 8 October 2019. Additional hearings could be held up until 18 October. Although now Commissioner-designate, there are concerns for the subsequent hearings about former legal allegations on the misuse of European Parliament funds by her party MoDem. However, Ms Goulard has clearly rejected the allegations.

The nomination of Sylvie Goulard followed prolonged internal negotiations among Heads of State and Government on the EU's leadership package. Concluding the process in early July, President Macron expressed his satisfaction with the outcome noting that the agreement reached, signified a "deep Franco-German understanding" in cooperation with all European partners.

French President Macron proposed two female candidates to Chancellor Merkel. The first proposed candidate was Ursula von

der Leyen, a francophone German candidate and former Defence minister, for the position of European Commission President. Christine Lagarde was proposed as candidate for President of the European Central Bank. Another two francophone candidates, Josep Borell of Spain and Charles Michel of Belgium secured nomination as head of foreign affairs and the European Council. In a secret ballot, MEPs narrowly voted for Ursula von der Leyen as the next President of the European Commission.

French Influence

The so-called 'French imprimatur' on the EU leadership package offers the prospect of greater French influence on issues in the future. The French stronghold on economics, environment and defence is consistent across the Institutions, as intended by President Macron and his government. Both President Macron's proposals for the Eurozone and European strategic autonomy in security and defence are kept to the fore as agenda points with the current leadership arrangement in the European Commission and European Central Bank.

Ahead of the elections, President Macron set out his proposal for a European climate bank. Though France holds a climate champion status, the proposal is likely to fail given the current role of the European Investment Bank (EIB), which invests a minimum of 25% into the fight against climate change. There is nevertheless further scope for discussion on greater investments by EU Member States.

President Macron's close cooperation with his German counterpart, Chancellor Merkel, during the negotiation process ensured that the traditional, Franco-German leadership was watertight despite geographical pressures, notably from the Visegrad states. Working relations are neatly woven among certain leaders – notably Commission nominee Sylvie Goulard and President Von der Leyen as former Defence ministers, and French President Macron and Charles Michel in the European Council.

Franco-Irish Relations: An Overview

There have been two important official visits in Paris in 2019. Taoiseach Leo Varadkar met French President Macron in the Elysée in April 2019 on the eve of a European Council. In keeping with the EU line, President Macron reiterated the EU's solidarity with Ireland and the importance of retaining the integrity of the single market.

In August 2019, Tánaiste Simon Coveney held talks in Paris with the French Prime Minister Édouard Philippe and new Secretary of State for European Affairs, Amélie de Montchalin following the UK's Brexit extension to 31 October 2019.

During this official visit, the Tánaiste launched Ireland's Strategy for France 2019-2025 '[Together in Spirit and Action](#)' which affirmed the commitment of both states to strengthening diplomatic ties. Though the document emphasises the many common positions held by Ireland and France on EU policies, the "differing nature" of its economic models is evident in the report.

These diverging visions of EU economic affairs were highlighted during the meeting of French finance minister, Bruno Le Maire, with his counterpart Paschal Donohoe and Taoiseach Leo Varadkar in February 2019 to discuss the EU proposal on digital taxation. The proposal was supported by France and opposed by Ireland and other Member States. In his keynote address to the IIEA in Dublin, Minister Le Maire reiterated France's commitment to cooperate with Ireland and develop a joint position at OECD level. Nevertheless, the French Minister also noted in his speech that he would "continue to promote the need for European level digital taxation".¹ France has also expressed an interest in shifting decision-making on fiscal issues from unanimity to qualified majority voting, a blueprint initiated by Commissioner Pierre Moscovici, a former French finance minister.

Despite the divergences, the reciprocal official visits indicate a clear move towards a more strategic partnership between Ireland and France as like-minded states in many other areas. France, as Ireland's closest neighbour after Brexit and the EU's second largest Member State, offers further scope for enhancing bilateral relations. This is the second key visionary joint document released by the Irish state with a larger European partner, following the Joint Plan of Action with Germany. It shapes Ireland's search to find like-minded partners in the Union for future coalitions.

Further afield

August marked the relaunch of French foreign policy following months of focus on domestic issues early in the year. French President Macron gathered Heads of State and Government of the seven largest economies (Group of Seven) and presided over the **G7 Summit in Biarritz** on 24-26 August 2019. Concerns were high following a failed G7 meeting in Canada earlier in June in which

¹ Speech of Minister Lemaire at the IIEA, "A Year of Change: Risks and Opportunities for the European Project", 26 February 2019, <https://ie.ambafrance.org/Minister-for-Finance-Bruno-Lemaire-in-Dublin>

the US administration withdrew from a previously agreed joint communiqué. Taking a lesson from the experience of his Canadian counterpart, President Macron abandoned the practice in a bid to smooth over relations with the US President, providing a [G7 Leaders' Declaration](#) instead.

At the G7 Summit, the Heads of State and Government for the US, Japan, UK, France, Germany, Italy and Canada discussed French digital tax, the Iran nuclear agreement, trade disputes, Brexit, and Ukraine ahead of a Normandy format summit. Critics argued that President Macron was well positioned to become an active European leader in the group in light of Brexit and Germany's outgoing chancellor². Overall, France's handling of the G7 summit was a relative success despite the uncertainties about the group's unity and ongoing trade disputes. President Macron persuaded US President Trump and Iranian President Hassan Rouhani to resume talks; which was well timed in advance of the UN General Assembly in New York at the end of September.

Subsequent to the G7 Summit, President Macron addressed the annual Conference of Ambassadors, on French foreign policy, in which the French President sets out his future objectives and reflects on successes to date. In his speech, President Macron warned of an end to western dominance, pointing to US and China as the future poles of power and discussed efforts to sustain France's role as a global balancing power³. President Macron also reiterated his proposal for European renewal and 'European sovereignty' as a means for Europe to retain its place in the global order.

On a warning that "Europe would disappear" in the emerging geopolitical landscape, the French President in his speech called for closer EU-Russia ties following deteriorating diplomatic relations. France has also since called for an EU summit with Russia on the conflict in Ukraine following a prisoner exchange.

As was described by a former French Ambassador Michel Duclos, President Macron could be seen to be holding a dual role on the global stage in his G7 reform efforts; part 'leader of the anti-nationalists' and part 'animator of the progressive camp'.⁴ With the return of President Macron's activism on the international stage after months of pressing engagement in domestic issues, it could be argued that, the French President is trying to reestablish a firm grip on European and global politics and France's role in the world.

² 'Macron says G7 will not issue joint communiqué to avoid row among leaders', Financial Times, 21 August 2019, <https://www.ft.com/content/3ad32bd4-c447-11e9-a8e9-296ca66511e9>

³ Ambassador's Conference – Speech by M. Edouard Philippe, Prime Minister, 29 August 2019 <https://uk.ambafrance.org/PM-sets-out-France-s-priorities-at-home-and-abroad>

⁴ Duclos, Michel. 'La politique étrangère d'Emmanuel Macron – architecture et politique', blog, 31 August 2019, <https://www.institutmontaigne.org/blog/la-politique-etrangere-demmanuel-macron-architecture-et-politique>