

# Prospects

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## The point of view

### France and Germany: what Aix-la-Chapelle tells us about the state of the European Union

The Treaty of Aix-la-Chapelle between France and Germany has been billed as an attempt to relaunch the Franco-German axis – a revival of the Élysée Treaty, signed in 1963 by General de Gaulle and Konrad Adenauer, which aimed to give Franco-German reconciliation an irreversible twist and anchor it in the European Union.

For some observers, this treaty is nothing more than a pale shadow of itself; for others, it represents a capitulation to Germany. Without wishing to delve into a contentious debate that has generated much comment in France, it must be acknowledged that certain criticisms are not without merit. The treaty is more cautious than ambitious; for some observers, it boils down to a purely electoral initiative in view of the European elections in May.

The two leaders did not use it to set out their vision for the future of the Europe. While affirming their desire to give integration a boost, they remained inwardly focused, committing to greater economic policy convergence between them. For some countries, this two-player game is a move away from the consensual approach that has characterised the European Union thus far; European Council President Donald Tusk has also expressed this sentiment, asking Paris and Berlin for a clear signal that their mutual cooperation will not become an alternative to cooperation at the EU27 level.

The contrast with the integrationist push that followed President Macron's election speaks volumes about how little France has since obtained from Germany. One might thus interpret this treaty as a symbol: reviving a shell that is, for now, somewhat empty, with the aim of filling it up over time. With what? We don't know. Macron's

plan is well known: it was spelled out clearly in his Sorbonne speech and translated into economic terms – as far as was possible – in the Meseberg Declaration<sup>1</sup>. Merkel's plan is much less clear. After securing certain concessions from Macron in Meseberg in exchange for an embryonic eurozone budget, she quickly backtracked. She took refuge behind the Nordic countries, leaving them to oppose Macron's plan, around which she had failed to build a consensus within her party. One thing is certain, however: more than the eurosceptics or liberals of Northern Europe, it is Germany's conservatives who feared integrationist "grand designs" and preferred a step-by-step policy.

Let us then interpret this treaty as a return to a step-by-step policy, whereby Macron is temporarily scaling back his ambitions without abandoning them altogether. Because he knows that, without Merkel's backing, it would be impossible to secure broad support from other countries. But in a Europe that is already a patchwork of exemptions – on defence, justice, internal security, migration, adoption of the euro and the Schengen Area – expecting France and Germany to be able to secure support from other countries for strong integration feels highly optimistic. The two countries can, however, lead by example and act as a centripetal force to attract other countries to concrete, tried and tested projects. That, in the end, will be the role of this treaty.

The next small steps envisaged in the Treaty are about closer economic cooperation between the two countries. The goal is to deepen economic

<sup>1</sup> Cf. "What won't be discussed at the dinner table", [in French version only](#)

integration so as to establish a Franco-German economic area with a shared rulebook, beginning with harmonising legislation, notably in the field of business law, and regularly coordinating economic policy. To this end, a Franco-German council of economic experts is to be set up to present the two governments with recommendations on actions to improve the functioning of the European Union. In the end, it is the two-speed (or multi-speed) approach to Europe that is prevailing. The European Commission's recent proposal of a roadmap for a gradual transition towards qualified majority voting in some areas of common EU fiscal policy (as is already the case in most other EU policy areas) speaks volumes about the two large economies' shared desire to give a boost to major tax initiatives, such as the common consolidated corporate tax base and a new system for taxing the digital economy, both currently stymied by the unanimity rule. There is, then, a clear shift towards a policy of deeper integration after decades of enlargement that have weakened its momentum.

Upon closer inspection, this all ultimately looks more ambitious than it did at first glance. Macron realised it was important not to try to do too much too soon: before further progress can be made, the first task is to rebuild the relationship with Germany's conservatives. The latter, incidentally, are slowly undergoing a revolution of ideas. The most conservative wing's candidate for the presidency of the CDU, Friedrich Merz, has written an editorial in a German daily newspaper in which he advocates for a common euro area fiscal policy and even the need for common unemployment insurance backed by a common financial contribution. In support of his argument, he quotes Konrad Adenauer, who was convinced Europe could only remain united if standards of living were not too far apart.

Might the spirit of the founding fathers once more be hovering over Europe's leaders after all? ■

**Paola Monperrus-Veroni**

[paola.monperrus-veroni@credit-agricole-sa.fr](mailto:paola.monperrus-veroni@credit-agricole-sa.fr)

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**Crédit Agricole S.A. — Group Economic Research**

12 place des Etats-Unis – 92127 Montrouge Cedex

**Publication Manager and chief Editor:** Isabelle Job-Bazille**Information center:** Dominique Petit - **Statistics:** Robin MourierContact: [publication.eco@credit-agricole-sa.fr](mailto:publication.eco@credit-agricole-sa.fr)**Access and subscribe to our free online publications:****Internal Website:** <https://portaleco.ca-sa.adsi.credit-agricole.fr/en>**Website:** <http://etudes-economiques.credit-agricole.com>**iPad:** [Etudes ECO application](#) available in App store platform**Androïd:** [Etudes ECO application](#) available in Google Play

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