

In May of 2007, the French went to the polls and chose Nicolas Sarkozy, whose mandate represents a generational turning point in French leadership. In his first months in office, he has taken on an array of domestic reforms and appointed a skilled, diverse cabinet. His reorientation of French foreign policy augurs well for French-American relations; however, it is clear that he also envisions a leadership role for France within a stronger Europe.

French President Nicolas Sarkozy's election was good for France and good for the United States. At 52, he is the first president to be clear of the national traumas of World War II and the Algerian War. For a French politician, his background is nontraditional. He did not attend France's elite Ecole Nationale d'Administration. Energetic, forceful, impatient, and highly intelligent, he has a total command of the subjects he addresses.

Sarkozy came to office with strong approval ratings reflecting a feeling that France now had a young, dynamic president whose slogan was "rupture"—a break with the past—and who could therefore get France moving again after the stagnation of the Chirac era. He has made strides in both domestic and foreign policy.

Domestic Policy

Since taking office, the government has moved on immigration reform to do something about the 200,000 to 400,000 illegal immigrants in France, begun to circumvent the 35-hour work week by abolishing all social charges and taxes on overtime work (which will inject purchasing power into the economy but increase the government's indebtedness), eased the wealth tax, almost abolished inheritance taxes between spouses and eased this tax in other ways, and made mortgage interest tax deductible. He has also tackled the issue of pension reform and special pension privileges for workers in state controlled companies, which resulted in massive strikes on October 18, 2007.

Sarkozy has said repeatedly that he wants to give the French the opportunity to work more to earn more, and Finance Minister Christine Lagarde has said that it is time for the French to stop talking and start working. To increase competitiveness in French business, he intends to negotiate a more flexible labor contract with the unions and take on the difficult task of attempting to convince the European Central Bank to devalue the Euro.

But breaking with the past and instituting wide-ranging reforms produce countervailing challenges. In October 2007, a nationwide strike of transportation workers paralyzed all train, subway and bus traffic—a protest that was joined by a few other small unions in the public service sector. The strikers were protesting the

government's declared intent to end the special retirement benefits enjoyed by these workers which gave them early retirement—in some cases at age 50. The strike dragged on for five days in some transport sectors and was followed by another set of strikes in late November that lasted for nine days. Neither protest garnered much public support, and in the second case there were demonstrations organized against the strike. After surviving both strikes relatively unscathed, it seems that President Sarkozy has turned a corner, and we may have seen a change in the strike culture of France.

He has put together a cabinet that combines excellence and diversity. It includes one Maghrebian and one African. Half of the ministers are women, some of whom hold major posts, including Interior Minister Michèle Alliot-Marie, Finance Minister Christine Lagarde (the first woman to be finance minister of a G8 nation), and Justice Minister Rachida Dati.

French-American Relations

In an interview with *The Economist*, President Sarkozy's Foreign Minister Bernard Kouchner summed up how this generational change is key to a new French foreign policy: "The President and I both believe that our diplomacy is no longer founded on anti-Americanism. But that does not mean that we are aligned with America." Foreign Minister Bernard Kouchner is a former administrator in Kosovo and is thus well-versed in the difficult issues at play in the Balkans. As the founder of Doctors Without Borders, he has been intimately involved in humanitarian issues. Contrary to President Sarkozy, he was for deposing Saddam Hussein and supported Turkish accession to the EU (which puts him more in line with the American official position). A member of the Socialist Party, he was the most popular political figure not only on the left but in the country as a whole.

In a move important for the French-American relationship, former Ambassador to the United States Jean-David Levitte was called back to the Elysée palace as diplomatic adviser to form

the French equivalent of a National Security Council. His background in Chinese affairs and as Ambassador at the UN and in Washington makes him ideally equipped for the post. He will be all the more influential since, in contrast with the United States, foreign policy in France is shaped by the president's office.

There has already been a change in tone in relations with the United States. President Sarkozy vacationed in New Hampshire, a trip that included a personal lunch with President George W. Bush. Not long after, Bernard Kouchner visited Baghdad (the first French foreign minister to do so since 1988), where he called for greater UN and European involvement in Iraq and offered France's help as a mediator. In the Middle East there have been signs of a change in emphasis after generations of pro-Arab policy emanating from the foreign ministry at the *Quai d'Orsay*. France seems prepared to be more even-handed regarding Israel and wholly intolerant of Arab extremism. Hence, not only is France willing to talk about a mediating role in Iraq, but it is also taking a hard line against Iran in contrast to Sarkozy's predecessor.

In his recent state visit to the United States, President Sarkozy addressed a joint session of Congress. Such an address was an honor first bestowed on the Marquis de Lafayette in 1824. "[France and the United States]," said President Sarkozy, "remain true, first and foremost, to the same ideal, the same principles, the same values that have always united them."

But Sarkozy's speech to Congress was not simply a reflection on common values and history. He said that France would be a friend, but a friend "who stands on his own two feet." Moreover, he laid out several expectations for the United States. Namely, he hoped that America would stand with France in the fight against global warming and would "take the lead" in reform of the UN, the IMF, the World Bank and the G8.

The United States has reciprocated the good will. One minor indication was the Paris air show in June, which 27 US generals and admirals

attended compared with 13 in 2005 and none in 2003, because of the split over Iraq. In short, there is a change of style and tone which is, ipso facto, a change in substance. It is a good start, but more substantive results remain to be seen.

It is important to bear in mind, however, that Sarkozy's real interest is France's leadership role in a stronger Europe. As such, he has a difficult balancing act to perform. Over the long run—and it may be a longer run than many of us have on earth—bilateral foreign policies in Europe may be subsumed by a common EU foreign policy headed by an EU foreign minister under the new simplified treaty agreed to in Lisbon. Additionally, France is pushing for a leadership role in common European defense. Defense Minister Hervé Morin has said that France's 2008 EU presidency would provide an opportunity to "press ahead with a Europe of defense," which would include military exchanges, a planning staff in Brussels, and a European security strategy.

But closer European defense integration would not necessarily be at the expense of trans-

Atlantic military ties. Jim Hoagland commented in the *Washington Post* that France is seeking to reach a final agreement with President Bush to rejoin NATO's integrated military command, a feat that could be achieved by the 60th-anniversary NATO summit in 2009, hosted by France and Germany.

Contrary to stereotypes and erroneous reports in the press, the French military is actively engaged around the world. They are, in fact, more engaged than any other EU country, with 36,000 personnel deployed outside France. They are in Bosnia, Kosovo, Afghanistan, Lebanon, the Ivory Coast, Djibouti, Senegal, Chad, Gabon, French Guiana, Reunion, New Caledonia, French Polynesia and the French Antilles and a few other places they don't talk about.

French experience and expertise in these regions would benefit NATO operations and enrich an alliance that Hoagland says has moved from Cold War defense to confronting new and fluid challenges in the Middle East, Central Asia, the Balkans and Africa.

Ambassador James G. Lowenstein

James G. James G. Lowenstein is a co-founder and board director of the French-American Foundation. He has served on the Senate Foreign Relations Committee staff, at American embassies in European and Asian countries and from 1974 to 1977 as Principal Deputy Assistant Secretary of State for European Affairs. From 1977 until 1981, he served as Ambassador to Luxembourg. He is a member of the Council on Foreign Relations, the International Institute for Strategic Studies in London and the Institut Français des Relations Internationales in Paris. His articles have been published in the *New York Times*, *Wall Street Journal*, *Washington Post* and *International Herald Tribune*.

French-American Foundation—Statement of Purpose

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The French-American Foundation—January 2008