CENTRE FOR EUROPEAN REFORM

The French, the European Commission and the Tories

by Charles Grant, 29 January 2009

One Frenchman, Jean Monnet, invented the European Commission, and another, Jacques Delors, was its greatest president. Yet the French are increasingly hostile to this Brussels institution. Those who spent time in France during the 2005 referendum on the EU constitutional treaty will remember that the No campaign was fired up by the belief that the Commission had become too 'Anglo-Saxon' (ie, economically liberal). Since then anti-Commission sentiment seems to have grown in France, at least to judge from the discussion at the recent 'Franco-British colloque', an annual gathering of politicians, journalists and business leaders from Britain and France.

Speaking at the opening dinner at this year's meeting, in Versailles, Prime Minister François Fillon complained that the Commission had failed to lead during the financial crisis. During the off-the-record sessions that followed, French politicians and chief executives repeatedly attacked the Commission for its alleged weakness and 'ultra-liberal' economic philosophy. To give an example, the chairman of one of France's biggest manufacturing companies was asked if the EU should take on a new role in regulating banking. "Absolutely not – because if the EU applies rules, the Commission will write them," he said. "And the Commission will write the rules that the British government tells it to write. So we should keep the Commission out of banking regulation and give the job to the European Central Bank." That comment is not particularly logical: even if the ECB were handed responsibility for supervising banks, the rules would still be drawn up by the European Commission, Council of Ministers and Parliament. But it does reflect the mood in the French establishment.

Several factors explain this hostility. The French are right about the Commission's economic philosophy. The top jobs – President José Manuel Barroso, Competition Commissioner Neelie Kroes, Single Market Commissioner Charlie McCreevy and (until recently) Trade Commissioner Peter Mandelson – are or have been held by liberals. The same applies to many of the key officials. Thus at a recent CER seminar in Brussels on sovereign wealth funds, the director-general for trade, David O'Sullivan (an Irishman) argued that the EU should not try to regulate these funds. Instead it should welcome sovereign wealth funds that wished to invest in the EU. On a broad range of policy issues, ranging from state aid to the liberalisation of energy markets to France's bid to stop foreigners investing in 'strategic industries', Paris has been in conflict with Brussels.

The French are also right that the Commission is weaker than it was in the good old days of Jacques Delors. It was rather slow off the mark to respond to the beginnings of the financial crisis, last autumn, though of course it has no sway over monetary or fiscal policy. Barroso lacks Delors's empire-building ambition, and he is sometimes reluctant to get into fights with big countries (because he is so willing to be reappointed, some say). But although I am an admirer of Jacques Delors, I think that

if Barroso tried to behave like him he would get nowhere. The member-states are much less willing than they were 20 years ago to tolerate an ambitious, agenda-setting Commission. They have got the more modest Commission they wanted. And to be fair to Barroso and his colleagues, it is difficult to lead the EU when – as in the second half of 2008 – a man as hyper-active as President Sarkozy holds the presidency. Sarkozy's style was to sideline EU institutions. In fact by the end of 2008 the Commission had made something of a comeback, with its plan for an EU-wide economic stimulus, endorsed by the December European Council.

When the French complain that the Commission is a) too liberal and b) too weak, they should note the risk of a contradiction. A mightier Commission that, for example, pushed through a radical reform of the Common Agricultural Policy (CAP) might not be to Paris's taste.

A third reason why the French have turned against the Commission is, I think, wounded national pride. France used to dominate the institution. Indeed, as recently as the 1990s, French was the predominant language within it. In the current Commission, France did not get one of the top jobs. Five years ago President Chirac sent Jacques Barrot, a middleweight politician, to Brussels, and he was given the relatively unimportant job of transport (though recently he moved to more important job of justice and home affairs). The more the French believe they have lost control of EU institutions, the less they like them.

Which is why the make-up of the new Commission is so important. Normally the commissioners are appointed during the summer months, after the June European Council decides on the president. This year the appointments may be postponed until the end of the year, to give Ireland the chance to vote Yes to the Lisbon treaty in the autumn (unless the Lisbon treaty comes into effect, the number of commissioners appointed must – under existing Nice treaty rules – be less than the number of member-states).

France is, understandably, determined to have one of the top economic jobs in the Commission. So is the UK. Barroso is likely to be reappointed but the British should not assume that economic liberals will get all the top jobs. One rumour in Paris is that Michel Barnier, currently agriculture minister, will be the French appointment. In his favour, he is a convinced European and has a broad range of experience, including stints as foreign minister and commissioner for regional policy. But his critics complain about his self-important manner and point out that he defends the CAP more staunchly than many other French politicians.

In Britain, of course, many people – including some Conservative politicians – still assume that the Commission is committed to tighter regulation and interventionist or left-of-centre economic policies. Interestingly, at the colloque in Versailles, half a dozen senior Tories (both members of the shadow cabinet and policy advisers) were listening to the debates. They said very little when the French attacked the Commission. That is not surprising: they would be uncomfortable either supporting the French criticism of economic liberalism, or defending the powers of the Commission. But I hope those Conservatives listened carefully, and that they may have seen that the Commission is, on many policy issues, a potential ally for the British.

Charles Grant is director of the Centre for European Reform.