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## A new mandate for 'losership'

French supporters of a Yes vote on the European constitution had insisted the referendum was not about France. But after perfunctory comments on the treaty's firm rejection, French television debates yesterday quickly reverted to national politics. Acknowledging the verdict, Jacques Chirac, the president, stressed that the result would further complicate his task although he had no intention of resigning. Nicolas Sarkozy, leader of the ruling UMP party, said the French had "clearly indicated they want a more protective Europe". The Socialist party leadership, meanwhile, was visibly shaken by the weekend display of voter disobedience.

Never before has the French electorate rejected both its leadership and Europe to this extent: 56 per cent voted No on a 70 per cent turnout. The striking feature, however, is not the No vote itself but the fact that France is still so collectivist. This offers an opportunity to paraphrase Mr Chirac's famous remonstrance to new members of the European Union; this time, it was he who missed "an opportunity to shut up".

French voters resented being told that they had a say, provided they consented. This is sadly revealing of both the nature of technocratic power and the government's subsequent refusal to engage in genuine debate once it outlined its grand designs. Mr Chirac has lost the authority of his leadership. He has squandered his presidency and gained a mandate for "losership". For-

getting his arbiter role, he involved himself strongly in the campaign, urging a Yes vote and thereby jeopardising the stability of French institutions in the case of defeat. And he lost.

The strong rejection of the treaty highlights the final throes of a regime reaching the end of its socialist tether, largely thanks to Mr Chirac. Elected in 1995 and again in 2002, the French president is emblematic of all things wrong in France. He has done everything to bolster interventionism and support for public sector lobbies, scorning anything smacking of free markets. He even recently managed to denounce liberalism as being "worse than communism" without raising eyebrows inordinately. French EU policy is predominantly concerned with its own influence and the common agricultural policy; the rest is silence. Internationally, Mr Chirac has abundantly proven the one constant in his career: a sustained critique of western democracy and capitalism, coupled with excuses and support for dictatorships in the name of cultural relativism.

Looking ahead, power is not so much with the legislators as with the decision-makers who interpret legislation. Leadership is what really matters then. The analysis of the EU should now turn to the struggle between free-traders and rent-seekers. In this battle, France retains genuine political clout. Deeply suspicious of competition, France will stress its collectivist agenda, and the European social model. The new government is likely to

reflect this reaction, as Mr Chirac will yield to populist demands on the left.

For decades, France and Germany were the combined motor of the European project, building a common market but also a technocratic structure devoid of auditing mechanisms and popular scrutiny. Political integration eventually got the better of economic integration. Whenever the Franco-German tandem reached an obstacle,

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..... deal-making in Brussels provided a solution (as in the services directive). This model is now obsolete, as is the French dirigiste agenda. Recent and future enlargements of the Union are likely to tip the balance towards countries that reject constructivist designs and social engineering. The countries of central and eastern Europe endorse free-market policies (such as low and flat taxes). They also recognise, unlike Mr Chirac, that it was Ronald Reagan (not Mikhail Gorbachev) who deserves credit for the demise of the Soviet Union which enabled their liberation.

The vainglorious ambition to impose

French rationalism on Europe is doomed. The former masterminds of EU integration are currently busy with damage control in their own countries. France and Germany, with slight differences, are slowly approaching moral, political and economic bankruptcy. Driving the EU project in terms of the ambitious Lisbon agenda for growth and competitiveness requires competent leadership. But halfway through this process, a radically different set of policies is clearly needed, which are anathema to these foundering fathers, since they reject competition in the name of social cohesion.

An enlarged Europe means that France and Germany will progressively lose their influence, because they have failed to provide a model, and thus effective leadership. Instead, thanks to reinforced co-operation, policy coalitions may emerge to provide appropriate responses to a globalised world of increasing free trade as well as social and political interdependence.

The French vote confirms the need for a fundamental change of cast and script. If the former drivers of the European project proceed, Fortress Europe will prevail. In that case, the next issue should not concern whether new countries should join, but if France should be allowed to remain.

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