

France's military leverage and „European defence”

Introduction

This essay documents the role of the military in France and how, for decades, France has been active in promoting a defence agenda at the EU level. It is based on a series of hypotheses summarized in this introduction. Firstly: France exhibits two unique features compared to other western countries: the centrality of state institutions in social and economic relations, and the centrality of the military in the making and consolidation of the state. Secondly, the world space – which is too often vaguely called ‘globalisation’ – is shaped by the intertwining dynamics of capital accumulation and the international state system. The concrete modalities of their interrelation change over time and contribute to delineating distinct historical conjunctures. The end of the last decade was a new historical conjuncture resulting from sweeping economic and geopolitical changes. One characteristic of the ‘2008 moment’ analysed in this essay is that economic competition and geopolitical conflicts became more closely intertwined in the world space not only between long geopolitical rival countries (e.g. USA, China and Russia) but also among western countries. The more powerful countries leveraged their politico-military power through direct and indirect influence in their economic conflicts.

Thirdly, the international status of a country – i.e. its place in the world space – is determined by both its economic and politico-military power. Together with the US, France is *the* western country where economic and politico-military powers are the most interwoven in the shaping of their international position. Obviously, France and the US do not compete in the same league. The closer interaction between economy and geopolitics observed since the end of the 2000s represented a game-changer and in the case of France is reflected in a push for militarisation. The latter is visible in various regards: an increase in military foreign operations and strong increase in military budgets, the successful export marketing of ‘combat-proven’ weapons, and the reinforcement of the internal security apparatus, blurring the boundaries between defence and security. In short, France has been attempting to use its military power as a ‘competitive advantage’ throughout the world space, while simultaneously suffering a loss in ‘economic competitiveness’. The growing imbalance between France and Germany in their respective economic performance has weakened the role of France in EU governance. France’s activism to promote a EU defence agenda reflects this effort to leverage its advantage in defence to remain a key actor in EU developments while providing justification for increased military budgets and seeking support for military operations domestically.

Fourthly, starting from the ‘global’ to investigate the ‘national’ does not mean leaving aside the relevance of drivers internal to France that have made the push for militarisation possible. Instead, France’s geopolitical and economic interests, in particular – but not only – in Africa, are supported by powerful actors, including large transnational corporations and military-industrial institutions. The rise of their influence, if not of their preeminence, in the country is both a consequence of and contribution to the transformations in the world space, albeit in proportion to France’s limited global influence.

Chapter 1: The deep embeddedness of the military in France and the ‘2008 moment’¹

The embeddedness of the military in France (section 1) has deepened over the last decades (section 2). It has, moreover, shaped the positioning of the country in the world space in the context of the new international conjuncture analysed as the ‘2008 moment’ (section 3), contributing to intensified militarisation in France (section 4), in an attempt to leverage its ‘competitive advantage’. The consolidation of its military power is an attempt to compensate for its steady declining economic weight, particularly visible in the EU. As the economic imbalance within the Franco-German ‘couple’ has resulted in a diminishing role of France in EU governance, military power remains a ‘competitive advantage’ for France in the EU (section 5).

¹ Serfati, Claude (2017), *Le militaire, une histoire française*, Paris: Edition Amsterdam.

1) Military for foreign and domestic purposes

A brief historical overview highlights two peculiarities of France. One is the centrality of state institutions in social and economic relations. In France, and to a lesser degree in Prussia, in contrast to England, the violent conflict between the Monarchy and the nobility led the former to organise a highly centralised bureaucracy. In 1789, the antagonism between the aristocracy, which had increasingly been integrated as key component of the absolute monarchy, and the bourgeoisie, drawing on the nascent proletariat (in Paris, the *sans culottes*) led the latter to overthrow the monarchy and in turn seize the state machinery to defend at home against royalists and abroad against the European coalition. Alexis de Tocqueville and Karl Marx, in their comprehensive analysis of France, and despite their opposing political positions, converged to underline how strongly the state was centralised (box).

Toqueville wrote: ‘The reason why the principle of the centralization of power did not perish in the Revolution is that this very centralization was at once the Revolution's starting point and one of its guiding principles. Centralization fit so well with the program of the new social order (after 1789, C.S.)² [...] I assert that there is no country in Europe in which the public administration has not become, not only more centralized, but more inquisitive and more minute, as it interferes in private concerns more than ever; it regulates more undertakings, and undertakings of a lesser kind; and it gains a firmer footing every day about, above, and around all private persons, to assist, to advise, and to coerce them.’³

Marx, analysed the economic and social content of *Bonapartism* in the *18 Brumaire de Louis-Napoléon Bonaparte* and concluded: ‘The executive power with its enormous bureaucratic and military organization, with its wide-ranging and ingenious state machinery, with a host of officials numbering half a million (besides an army of another half million) – this terrifying parasitic body which enmeshes the body of French society and chokes all its pores, sprang up in the time of the absolute monarchy.’⁴

Secondly, the centrality of the military in the making and the consolidation of the state constitutes another distinctive feature in France. As documented by historian Charles Tilly, it was crucial in the consolidation of the modern state.⁵ The turn taken by political and social struggles in France still gave a prominent role to the army, long after wars and Colbert's economic *dirigisme* were made inseparable under the long reign of the Sun King (1643-1715).⁶ In Gramscian terms, it could be said that the trajectory leading to the victory of the French bourgeoisie proceeded from the ‘passive revolution’, a process in which domination is carried by means of compromise among the exploiting class, and ‘went through a radical destruction of the ancient regime from below by popular masses’.⁷ The entire 19th century was a long chain of almost uninterrupted social upheavals against authoritarian regimes in France, responded to by the mobilisation of the army and coercive force.

To sum up, social revolutions at home and wars with other European countries as well as those aimed at conquering colonies, combined to constitute the military as the backbone of the state. A short chronology indicates how social insurrections interacted with changes in political regimes. Charles X's 1815 Bourbon restoration came in the aftermath of the Napoleonic regime crumbling, prompting a return to an extreme reactionary monarchist

² De Alexis De Tocqueville, “The Old Regime and the French Revolution”, New York, NY: Knopf Doubleday Publishing Group, p.60.

³ De Alexis De Tocqueville (2003 [1835-40]), *Democracy in America*, vol. II, Part 4, Chapter V, London: Penguin

⁴ Marx Karl (1852), *The Eighteenth Brumaire of Louis Bonaparte, Die Revolution*, 1, New York.

⁵ See chapter 3 „How War Made States, and Vice Versa”, Tilly C. (1992), *Coercion, Capital, and European States, AD 990–1992*, Oxford: Wiley-Blackwell.

⁶ A statistical estimate, presented by this author as ‘only illustrative’, is that war expenditures accounted for roughly 57% of total expenditure in 1683, whereas they represented about 52 percent in 1714, Eloranta, Jan und Land, Jeremy (2011), “Hollow Victory? Britain's Public Debt And The Seven Years' War”, in: *Essays in Economic & Business History*, vol. 29

⁷ Callinicos, Alex (2010). “The limits of passive revolution”, in: *Capital & Class*, 34(3), p. 491–507.

regime. In 1830, a popular insurrection ended the French Bourbon monarch's reign and facilitated the ascent of his cousin Louis Philippe, Duke of Orléans, initiating the domination of the 'finance aristocracy' (Marx). This provoked a number of uprisings in France (*Canuts* at Lyon, barricades in Paris, etc.) between 1831 and 1835. Then, in 1848, a proletarian revolution with the rallying cry '*République sociale*' – the first stage of the 'People's Spring in Europe' – paved the way to a short-lived Second Republic followed by a severe counter-revolutionary backlash in 1852, leading to Louis-Napoléon Bonaparte's imperial regime. In 1870, the defeat of Napoléon III by Prussia was followed by the Paris Commune (April-May 1871). The latter was massively repressed by the army with tens of thousands killed during the *semaine sanglante* (bloody week).

In 1870, the Third Republic, an archetype of parliamentary democracy, was proclaimed after Bonapartism' collapsed in the French-Prussian war. Governments devised a new role for the army. Its democratic mission was underlined by the introduction of universal *military* conscription, albeit accompanied by preparations for the next war ('*la revanche*') with Germany, a reason why the army has been referred to as 'the Holy Arch' by a prominent French military historian.⁸ Also, between 1871 and 1914, the army was frequently deployed to repress workers' demonstrations, in fact so frequently that historians Mayeur and Rebérioux remark that 'there was no decisive stage in the workers' movement in which the troops were not called to reinforce the gendarmerie'.⁹ Comparative studies have shown that the use of the army to repress workers has been more frequent in France than in any other European country¹⁰.

Despite the central role held by the army in France and in colonial conquests between 1871 and 1914, the Third Republic was never able to attain total loyalty to Republican values among the officer corps. A substantial number of them were anti-Republicans (monarchists, Bonapartists, etc.), and they often sided with the Catholic Church to challenge the Republic. A climax in anti-Semitism and anti-republicanism was reached during the Dreyfus Affair (1894-1906), with the minister of war leading the charge. A few decades later, when Marshall Pétain was appointed as ambassador to Franco's Spain in 1939 by the Daladier government, he considered his mission as a way 'to expiate the sins of the Popular Front',¹¹ even though he was fully trusted by Léon Blum, the popular front government's prime minister (1936-1938) at the time of his appointment to Spain. Back in 1932, Pétain had overseen a report on the 'enemies within' (*ennemis de l'intérieur*), mainly Communist and other left-wing parties which he believed could take advantage of German aerial bombings to organise an insurrection.¹²

Pétain was obviously by no means an exception. During the interwar period, a large share of the officer corps was anti-republican, and a number of them were active in underground extreme right-wing movements that attempted to topple elected governments. Another enduring feature was that many of them cultivated a hatred of far-left parties¹³.

2) The Fifth Republic (1958): Reinstating the army at the core of the state

In 1958, the return to power of General de Gaulle, the most prestigious soldier in France, marked a watershed. It resulted from a political crisis unknown in France since the 19th

⁸ Girardet, Raoul (1998), *La société militaire de 1815 à nos jours*, Paris: Librairie Académique Perrin, p. 121-144.

⁹ Mayeur, Jean-Marie und Rebérioux, Madeleine (1987), *The Third Republic from Its Origins to the Great War, 1871-1914*, Cambridge University Press, p.190.

¹⁰ For a comparison with Prussia, see Anja Johansen (2001), "State bureaucrats and local influence on the use of military troops for maintenance of public order in France and Prussia, 1889-1914", in: *Crime, Histoire & Sociétés / Crime, History & Societies Online*, vol. 5, no. 1.

¹¹ Szaluta, Jacques (1974), "Marshal Petain's Ambassadorship to Spain: Conspiratorial or Providential Rise toward Power?", in: *French Historical Studies*, vol. 8, no. 4 (Herbst), p. 511-533, quoted: p. 513.

¹² Général Voiriot, "Note sur la défense de la région parisienne contre l'ennemi intérieur en temps de guerre". Pétain pense que si les Allemands attaquent la France in: Georges Vidal, "L'armée française face au problème de la subversion communiste au début des années 1930", *Guerres mondiales et conflits contemporains*, 2001/4 (no. 204), p. 41-65.

¹³ Paxton, Robert O. (1966), *Parades and politics at Vichy: the French officer corps under Marshal Petain*, Princeton University Press.

century. Essentially, the issue at stake was how to preserve France's status in the world space. Specifically, the crisis was triggered by the setbacks of the French army in its Asian colonies (Indochina) culminating in the rout of Dien-Bien-Phu (in May 1954) that led to the independence of Vietnam (1955), and then the humiliation suffered during the Suez crisis (1956) by the French (and British) army. After 1954, a similar episode occurred in Algeria, as shown by the inability of governments to suppress the fight of the Algerian (native) people for independence. Back in May 1945, in Algeria street demonstrations marking the end of the Second World War – and adopting anti-colonial demands – had been harshly repressed, and thousands of protesters were killed. In 1954, then, the fight of the Algerian people for independence was a clear signal that France could no longer rely on its colonies to remain a world power.

A majority of French historians agree that the conditions of De Gaulle's return to power (after having been defeated in political elections in 1946) was the result of a combination of a parliamentary crisis and extra-parliamentary military actions.¹⁴ It seems as if de Gaulle had had this scenario in mind when he declared, a few months before the crisis: 'If the actual government collapses, army will take power. As for me, observing that there is no legitimate government any longer, I'll take power in order to save the Republic.'¹⁵ In a more political tone, the event has been qualified as 'permanent state coup' (*Un coup d'état permanent*) in allusion to the December 2, 1851, coup by Louis-Napoléon Bonaparte, in a memorable book written by François Mitterrand in 1964, two decades before he himself was elected president. A brief description of de Gaulle's comeback supports this hypothesis. In 1958, the forces serving in Algeria (almost 400,000 soldiers were present on Algerian soil) led by General Massu, who had systematically applied torture against Algerian nationalists and was supported by a significant share of metropolitan natives (*les pieds-noirs*), criticised the conciliatory governments in Paris and called for de Gaulle to take power to maintain *l'Algérie française*. Two days after a massive demonstration was organised in Algeria by the military and Franco-Algerians (May 13, 1958), De Gaulle, relying on neo-Gaullist networks both in Metropolitan France and Algeria, responded, in a strong anti-parliamentarian communiqué, that he was 'ready to assume the powers of the republic'.¹⁶ Then, on May 26, an elite parachute regiment serving in Algeria launched 'Operation Resurrection', landed in Corsica and took control of the island with no resistance from either police or local officials. The life of the Fourth Republic was over, with de Gaulle's government approved on June 1, 1958.

Once appointed prime minister, de Gaulle became aware of the impossibility for France to maintain a archaic colonial relation with Algeria in the international context of the late 1950s. In an extraordinary turnaround, still taught as a case study in schools, after having declared on June 4, 1958, 'Je vous ai compris' ('I've understood you') in front of a large crowd in Algier, exclaiming 'long live French Algeria' ('vive l'Algérie française'), he tasked his government in the following months with organising negotiations with the main pro-independence party, the FLN, leading to the Evian agreements on Algerian independence in 1962.

General de Gaulle's policy was based on using the two levers, both economic and military, to maintain France's position at the top of the global hierarchy, *la grandeur* of France, in de Gaulle's parlance. In 1958, France's industrial base was fragmented and in many regards backwards technologically, with agriculture employing over one-third of the French working population. Gaullist industrial policy aimed at the development of 'national champions' – private and public, supported by large-scale state-funded technological projects, including in telecommunications, aerospace and nuclear industries. Given France's poorly developed industrial entrepreneurial tradition, long discussed by historians as the existence (or not) of

¹⁴ See Grey Anderson (2018), *La guerre civile en France, 1958-1962. Du coup d'État gaulliste à la fin de l'OAS*, Paris: La Fabrique

¹⁵ "S'il n'y a pas de gouvernement, l'armée prendra le pouvoir. Et moi, constatant qu'il n'y a plus d'État, je prendrai le pouvoir à Paris afin de sauver la république." quoted in: Ferro, Marc (2010), *De Gaulle expliqué aujourd'hui*, Paris: Editions du Seuil, p.x

¹⁶ www.charles-de-gaulle.org/wp-content/uploads/.../Déclaration-du-15-mai-1958.pdf

secular Malthusian tendencies on the part of a large segment of the business world,¹⁷ a central emphasis was placed on state funding and technological institutions in the Fifth Republic.

In the post-war context of strong internationalisation of capital, a re-orientation of French industry and agriculture to foreign markets was crucial. De Gaulle's swift embrace of the Treaty of Rome, to the surprise of many observers, underscored the fact that up to then the 'world horizon' for French goods had been limited to a fraction of the European continent (and of course to former African colonies). The creation of the EEC helped France overcome a basic dilemma for its low productivity in industry and agriculture: access to foreign markets for French products, yet with a limited risk of competition on the domestic market thanks to a common customs policy. As noted by a scholar in international relations, 'de Gaulle's successful package of devaluation and austerity in 1958 gave French big business the competitive advantage it required, and business became an enthusiastic supporter of liberalization'.¹⁸

With regard to the military, de Gaulle's policy was quite ambitious. The development of nuclear capabilities was the top objective, and its implementation was made possible by a tradition of French excellence in nuclear-related sciences before the war and then consolidated in the powerful state-owned nuclear energy agency (Commissariat à l'Énergie Atomique, CEA), set up in 1945. Indeed, following the humiliating experience of Suez (1956), the decision was made to develop nuclear weapons even before de Gaulle came to power. Developing an entirely homegrown *force de frappe* (nuclear deterrence) was seen as the best way to preserve France's global status as permanent member of the United Nations Security Council (UNSC). It was also claimed that the bomb would reinforce French sovereignty, allowing the country to be independent from the US. The Gaullist myth of a sovereign France, however, was seriously challenged after careful research revealed that the United States had provided substantial covert assistance to France's nuclear programme for a decade and a half.¹⁹

Restoring the rank of France abroad required the regeneration and consolidation of military institutions at home, a daunting task given the French army's discrediting during the war and in the colonial wars. Ground-breaking research by American historian Robert Paxton revealed that the *collaboration* with the Nazi regime had not been a policy imposed on France, but one that had in fact originated in France itself.²⁰ And this policy was overseen by the most prestigious soldier, Maréchal Pétain, the 'Victor of Verdun', a battle in which hundreds of thousands of soldiers were killed on all sides during World War I. Pétain was far from being an exception in the army, seeing as a substantial number of top military staff joined the collaboration. In addition, the expeditionary troops engaged in the 'dirty war' (*la sale guerre*), as it was named, in Indochina and, subsequently, the war in Algeria. A significant faction of the leading military staff during those wars was strongly influenced by far-right, conservative and xenophobic ideologies. Many hated de Gaulle for what he had done during the war. They formed the backbone of the *pro-Algérie française movements* in Algeria. De Gaulle escaped a number of assassination attempts organised by them, and in 1961 a group of generals organised a coup d'état in an attempt to use Algeria as a base for taking power in France.

Against this background, de Gaulle employed a 'carrots and sticks' policy vis-à-vis the military. The latter were heavily applied in order to crush the colonialist faction within the army, while the former were offered in an effort to reinstate the military at the core of the state apparatus and restore its legitimacy among the French population. A major innovation, compared to the nineteenth century, was to give military institutions a powerful economic

¹⁷ For a synthesis of the debate, see François Crouzet, "The Historiography of French Economic Growth in the Nineteenth Century", in: *The Economic History Review*, vol. 56, no. 2 (May 2003), p. 215-242.

¹⁸ Moravcsik, Andrew (2000), "De Gaulle Between Grain And Grandeur: The Political Economy of French EC Policy, 1958–1970 (Part 1)", in: *Journal of Cold War Studies*, vol. 2, Issue 2 (Spring), p. 3-43, quoted: p. 15.

¹⁹ Ullman, Richard (1989), "The Covert French Connection", in: *Foreign Policy*, no. 75 (Summer), p. 3-33.

²⁰ Paxton, Robert O. (1972), *Vichy France: Old Guard and New Order, 1940-1944*, New York: Columbia University Press.

role, still pursued to this day (see Chapter 2), thus deepening their embeddedness in French society.

The restoration of the army at the core of the state apparatus was facilitated by the institutional transformations which resulted in the adoption of a new constitutional law in 1958. As de Gaulle made it clear to Michel Debré, a major designer of the constitutional reform and his prime minister: 'Issues involving Algeria, defence, the army, foreign affairs and the community must be directly taken up with me.'²¹ Indeed, strong powers are concentrated in the hands of the president, as the legislative body is regarded by many political scientists as one of the weakest in the democratic world.²² The French regime is described as a semi-presidential regime in political science literature, depicting the president as a 'republican monarch', as a prominent French constitutionalist remarked in 1959.²³

A century after the end of Napoleon III's regime, French political institutions were analysed as a 'bonapartist-like' regime – a mix of political over-centralisation, a strong military apparatus and civil liberties under state control. The powers concentrated in the hands of the president are impressive and unmatched in any other democratic country. He/she can take any measures required in the event that the 'institutions of the republic, the independence of the nation, the integrity of its territory or the fulfilment of its international commitments are under serious and immediate threat and the regular functioning of the constitutional public authorities is interrupted' (Article 16). In other words, the state of emergency in France is declared by the president alone in case of a 'serious and immediate threat' which only he (or she) is allowed to determine. These powers are further enhanced by limits placed on the role of parliament; the president can, on his (or her) own authority, dissolve the legislative body and call for referendums.

Defence and foreign policies are a '*domaine réservé*' thanks to the nuclear privilege of the president,²⁴ with the Chief of Staff of the Armed Forces acting under his direct authority. Describing the control over the legislative by the executive body, one scholar concludes that the French parliament is 'one of the most impotent parliaments in foreign and defense policies'.²⁵ Finally, a number of comparative studies observe that the role of the French parliament in the control of military missions abroad is weaker than in other European countries, and the modest reform creating an *ex post facto* approval procedure in 2008 fell short of an effective constraint on governmental decision-making.²⁶

For the past sixty years, the Fifth Republic has formed a framework allowing the president to maintain and if needed to reinforce the role of presidential prerogatives. The right-wing/left-wing 'alternation' has reinforced the consensus among mainstream political parties. Mitterrand's election in 1981, after decades of Gaullist and neo-Gaullist majorities, reflected a strong popular aspiration for deep social and political change. Instead, however, the president, once elected, surrendered all the promises made by his (socialist) party in the 1970s (in particular to end arms trade and neo-colonial policies in Africa).²⁷ The solidity of the political consensus regarding the 'vision' of the role of France in the world, hence the place of defence in French society, in this sense reinforces the foundations of the Fifth Republic. Emmanuel Macron claimed a 'Jupiterian presidency' during his 2017 presidential election

²¹ Cited in Irondelle, Bastien (2008), "Defence and Armed Forces: The End of the Nuclear Monarchy?", in: Appleton, A., Brouard, S., Mazur, A. (ed.), *The French Fifth Republic at Fifty*, Basingstoke: *Beyond Stereotypes*, Basingstoke: Palgrave Macmillan, p. 121.

²² Masters, Jonathan, "How Powerful Is France's President?", 1 February 2017, *Council on Foreign Relations*, <https://www.cfr.org/backgroundunder/how-powerful-frances-president>

²³ Duverger, Maurice (1974), *La Monarchie Républicaine*, Paris: Robert Laffont.

²⁴ Cohen, Samy (1994), *La Monarchie nucléaire*, Paris: Hachette.

²⁵ Irondelle, Bastien (2009). "Defence and Armed Forces: The End of the Nuclear Monarchy?", in: Appleton, A., Brouard, S., Mazur, A. (Hg.), *The French Fifth Republic at Fifty*, Basingstoke: *Beyond Stereotypes*, Basingstoke: Palgrave Macmillan, p. 129.

²⁶ Ostermann, Falk (2017), "France's reluctant parliamentarisation of military deployments: the 2008 constitutional reform in practice", *West European Politics*, 40:1, p. 101-118.

²⁷ A former leader of the Socialist Party, now one of closer Macron's adviser and number 3 in the political hierarchy (as President of the National Assembly), hailing the longevity of the Fifth Republic institutions, claims "we have to be Mitterrandist Gaullists", Ferrand, Richard, "Ni immobilisme, ni césarisme: un républicanisme rénové", *Le Monde*, 4 October, 2018.

campaign and that France had been missing its king since the execution of Louis XVI on 21 January 1793, and that now it was up to the president to fulfil this function²⁸.

3) France's push for militarisation and the '2008 moment'

This study requires us to look at the new historical conjuncture that took place at the end of the 2000s and closed the historical period brought about in the early 1990s by the collapse of the USSR. The '2008 moment' was a conflation of seismic economic and geopolitical changes. On the economic side, what began as a financial crisis morphed into a long recession.²⁹ The overt or latent overproduction caused by the accumulation of manufacturing capabilities – in particular, but not only, in China – is visible in a couple of sectors beyond merely the steel industry. In late 2017, a survey showed some or significant overcapacity in over half of industrial sectors globally.³⁰ And while the recovery is being applauded in mainstream reports, between 2007 and 2018 the mass of debt, fuelled by a generous (at least for business) policy of very low interest rates, rose by 78% in constant dollar rate for the world's non-financial sectors.³¹ This ballooning of private debt signals that the world economy is once again heading for a financial crisis, only this time of a wider scope and with more severe effects than in 2008.

In Europe, the 2008 financial crisis was aggravated by stubborn macroeconomic policies mainly aimed at preserving the interest of financial institutions, in particular those of French and German banks in Greece and other EU countries. The uneven and combined process that has characterised the developments of the European Union for decades is firmly in place³² and there is no sign that the major imbalances between member states – in particular between Germany and the rest of the union – has been diminished. Despite the pervasive self-congratulation in Brussels and by various national governments, in a number of countries high rates of unemployment and a serious deterioration of social security systems, coupled with growing income inequalities, are taking their toll along with social distress transformed by far-right and xenophobic movements into a fight against migrants and their children (including those who are formally EU citizens) and refugees.

The long recession is now bound to be further aggravated by Trump's trade policy. The conundrum for the US economy is that its imports-led recovery fuels a rise in the trade deficit which is mainly due to large American transnational corporations (TNCs) assembling goods outside the country and then bringing them back in. Moreover, Trump's policy of protecting US jobs at home through the erection of trade barriers could have a limited effect, as research shows that between 2000 and 2010 productivity gains were the overwhelming driver in job losses in manufacturing (87.8% of the total), while trade accounted for only 13.4% and a rise in domestic demand contributed 1.2% to job creation.³³ As the growing disconnection between the TNCs and their domestic base is a characteristic feature in all developed countries, acute competition on world markets in the context of a stagnating rate of profitability (except for the top TNCs) is fuelling a US-led economic inter-state rivalry. Trade war is a measure that was already applied in the 1930s, but the current one could have more severe consequences, as international trade is now more important for the global economy than ever before.³⁴

In geopolitical terms, what was called – rather controversially – the 'unipolar moment', has crumbled with the US's inability to manage the chaos in Iraq following the adventurist war

²⁸ Interview with *Le Un*, 8 July 2015.

²⁹ Carchedi, G. und Roberts, M. (2013), "The long roots of the present crisis: Keynesians, Austerians and Marx's law", *World Review of Political Economy*, 4:1, p. 86-115.

³⁰ Williams, Gareth, Schulz, Bob, Lemos-Stein, Gregg (2017), "Global Corporate Analyst Survey 2018", *S&P Global*, 11 December.

³¹ Lund, S., Mehta, A., Manyika, J. und Goldshtein, D., "A Decade After The Global Financial Crisis: What Has (And Hasn't) Changed?", *Executive Briefing*, McKinsey Global Institute, August 2018.

³² Serfati, Claude, "EU Integration as Uneven and Combined Development", in: Desai, Radhika (ed.) (2016), *Analytical Gains of Geopolitical Economy*, Bingley: Emerald Group Publishing, p. 255-294.

³³ Hicks, M.J. und Devaraj, S., "The Myth and Reality of Manufacturing in America", Ball State University, April 2017.

³⁴ Rushe, Dominic, "More than 1,000 economists warn Trump his trade views echo 1930s errors", *The Guardian*, 3 May 2018.

launched by George W. Bush. This US-imperial disaster, which ‘from a strategic point of view, is worse than Vietnam’,³⁵ facilitated the return of Russia as a major geopolitical actor, as well as paving the way for Iran’s ambitions to emerge as a regional power in the Middle East. Furthermore, the destabilising effect of this war and other imperialist wars in the region was an accelerator for the ‘Arab Spring’, the deeper roots of which were the protracted economic blockage that produced explosive social grievances. This challenges the view that this ‘Spring’ was the result of a cultural and political mutation carried by a new generation connected to global culture. From this angle, the regional uprising could be analysed through a Marxist lens as a classic case of social revolution resulting from the protracted blockage of development.³⁶

This profound change in the international status of the US, which characterises the 2008 moment, was also provoked by the high-speed development of the Chinese economy. It has become all the more threatening for global US leadership as it is accompanied by an increased military focus. Beijing continues to strengthen its military and technological capabilities, which is why the country represents, in the words of the Trump Administration’s National Defense Strategy, a ‘strategic competitor [...] leveraging military modernization, influence operations, and predatory economics’.³⁷

France, as a world power, has also had to face the major consequences of the global changes that led up to the ‘2008 moment’. The latter were not (only) financial interests – amplified by the measures taken to protect them abroad and at home with significant public aid allocated to banks that were hurt – but mainly labour conditions and manufacturing firms’ competitiveness. For a decade, the official (and understated) rate of unemployment has remained at high levels, hovering around 9.2% in 2018, a higher figure than in the eurozone (8.2%). Productive investments have not returned to their pre-crisis levels, and between 2007 and 2016 business R&D (generally considered a driver of innovation) increased at a smaller rate than eurozone business R&D. Meanwhile, the twin deficits – trade and public – have dramatically increased. Between 2008 and 2017, the public debt-to-GDP ratio has increased in France by a much higher margin than in the EU on average. As a clear sign of its declining industrial competitiveness, France’s deficit in goods trade has risen sharply in recent years, even surpassing the energy trade deficit. Still more symptomatic is the deteriorating position of France in the EU. In 2017, its trade balance was deficient vis-à-vis most of its EU partners. Also, the steady decline of France’s industrial market share in world exports has been more accentuated than for other member states, with the French share of eurozone goods exports declining from 17% to 13% between 2000 and 2017.

The deterioration of France’s global position is still much more noticeable when compared to Germany. Both countries led the EU economy with over one-third of total GDP (21.4% (Germany) and 14.9% (France)) in 2017. For over a decade, the divergence in economic performances between the two countries on global and EU markets has grown dramatically. This increasing asymmetry is not only a further source of instability for the EU, as the French-German ‘couple’ has been the backbone of EU developments ever since 1958. It has also become a concern among the French political establishment in the sense that their country may become a junior partner in economy-related matters because of the growing role of Germany in EU governance.

The major geopolitical changes which caused the ‘2008 moment’ also had serious consequences for France. Firstly, the ‘Arab Spring’ began in countries with large-scale French geo-economic interests. In Tunisia, the Sarkozy government gave firm support to Ben Ali, even after massive demonstrations demanded his removal. As late as January 12, 2011 (three days before Ben Ali fled his country), the French Minister of Foreign Affairs, Mrs. Alliot-Marie, proposed to Ben Ali sharing the expertise of French police with Tunisian security

³⁵ Thompson, Loren, “Iraq: The Biggest Mistake In American Military History”, *Forbes*, 15 December 2011.

³⁶ Achcar, Gilbert, “What Happened to the Arab Spring?”, Interview with *Jacobin Magazine*, <https://www.jacobinmag.com/2015/12/achchar-arab-spring-tunisia-egypt-isis-isil-assad-syria-revolution/>, 17 December 2015.

³⁷ National Security Strategy of the United States of America 2018, <https://dod.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>, p. 1-2.

forces in 'settling security situations of this type'.³⁸ Likewise, the French government expressed minimal solidarity with Egyptian protestors during similar demonstrations against Hosni Mubarak.

The former colonial power was suddenly confronted with a backlash, and in this context had to modify its tactics. It took only a couple of months for Sarkozy after the 'Jasmine revolution' in Tunisia to launch a military intervention in Libya (March 2011), dressed in a humanitarian cloak of defeating a dictator. The 'regime change' in Libya inspired by France had severe destabilising effects on the region, as two million migrant workers (out of seven million residents), mostly from sub-Saharan Africa, were working in Libya and sending remittances to their families. The regional chaos, in turn, triggered a series of French military interventions in the Sahel region (notably in Mali in January 2013) and in the Middle East.

4) France's push for militarisation

Since the end of the last decade, four facts point to the rise in militarisation in France. Firstly, the international engagement of French troops has increased in intensity, with major operations ongoing in Africa (Ivory Coast and Libya in 2011, Mali, 2013, Central African Republic, 2013), Sahel (2014), and in the Middle East (Syria and Iraq, 2014). As France has carried out over 110 military operations since 1995, a large share of them in Africa, the concentration in time and the large scope of those operations marked a further amplification of French interventionist policy. In a speech mirroring George W. Bush's phrase a decade earlier, President Hollande declared in the early days of the military intervention in Mali that France 'will stay with you [in Mali] as long as necessary',³⁹ leading the influential paper *Le Monde* to write five years afterwards that 'Mali is our Afghanistan'.⁴⁰

In 2018, there were almost 20,000 soldiers deployed abroad, of which about 10% were involved in special operations, a significant increase. An international comparison in the ratio of forces deployed in military operations abroad (overseas territories excluded)-to-total forces shows that in 2016 France ranked number two at 8.9% behind the United States (14.9%), slightly ahead of the United Kingdom (8.8%), Russia (6.7%) and Germany (1.7%).⁴¹ Even more enlightening is a comparison between the two top European military powers when overseas territories are taken into account. The comparison between France and the UK is compelling with regard to their geopolitical priorities (see Table 1). Almost the entire French presence abroad is split between Africa (and half of military there is concentrated in the Sahel region, reflecting the priority given to the protection of its geopolitical and economic interests in its 'backyard' (*pré carré*)) and the French overseas territories (over 54% of its military abroad). Both the Sahel region and overseas territories (Caribbean, New-Caledonia, French Polynesia,⁴² Réunion/Mayote, etc.) are the backbone of the international geopolitical presence of France, and as such are listed as top priority in France's defence strategy. France boasts to have the second-largest exclusive economic zone worldwide after the United Kingdom. By contrast, the UK military abroad is overwhelmingly concentrated in Europe (73.8%), reflecting the full integration of UK forces into NATO, while North Africa and the Subsaharan region together account for just above 20%.

Table 1: A comparison between the UK's and France's locations of military personnel abroad

UK (2016)		France (2017)	
Regions	Share of total (in %)	Regions	Share of total (in %)
Europe	73.8	Europe	0.5
North America	5.0	North America	n.a.
Sub-saharan Africa	11.7	Africa	41.6

³⁸ DW, "French foreign minister defends offer of help to Tunisian ex-president", 18 January 2011.

³⁹ Speech by François Hollande, Bamako, 2 February 2013.

⁴⁰ Ayad, Christophe, "Le Mali est notre Afghanistan", *Le Monde*, 16 November 2017.

⁴¹ Pwc (2017), Global Defense Perspectives 2017, November.

⁴² The United Nations has included Polynesia in its list of Non-Self-Governing Territories since 1986.

North Africa / Middle East	9.6	Middle East	3.1
France overseas	0.0	France Overseas	54.8
Total	100	Total	100

Source: Author, from UK and French MoD. Figures are rounded to reach 100.
n.a.: not available.

Secondly, during the 2008-2016 period, defense spending (milex) and public order and safety⁴³ increased at a higher rate than the total of general government spending (see Table 2). Not only is the increase significant in absolute numbers, but the contrast with the evolution of key civilian budgets is also impressive. While education enjoyed a more limited growth than milex and security, large cuts were made in environment, cultural services, environmental protection, recreational and sporting services and housing development budgets.

Table 2: General spending by main government departments

2008-2016 Growth	%
Total	+13,6
Public order and safety	+20,3
Defence	+19,8
Education	+12.1
Environmental protection	-1.2
Cultural services	-7.7
Recreational and sporting services	-20.9
Housing development	-33.7

Source : Author from *National Accounts*.

Thirdly, arms exports have increased in proportion to the intensification of military operations (see Chapter 2).

Fourthly, as shown in Table 2, France has also ramped up its internal security apparatus, a trend which began well before the terror attacks that hit Paris and the country in 2015. Incidentally, French governments reacted to those terror attacks by implementing a state of emergency and mobilising 10,000 soldiers who were deployed to metropolitan areas across the country. The 2015 terror attacks were an incentive for the MoD to reverse the drawdown in the army (-22,000 soldiers) and increase the number of soldiers by 16,000 and the combat companies by 33. The mission is criticised by police – arguing that only police (and gendarmes) are trained to address civilian urban threats – and by the army’s chief himself, who noted that recruits entering in the army stand around at street corners.⁴⁴

The defence-security-nexus, blurring the boundaries between external and internal threats, has a long historical record in France (see above), and it has been strengthened since the terror attacks, accompanied by a protracted targeting of ‘visible minorities’.⁴⁵ France is the only country among democratic countries hit by terror attacks to have declared an 18 months-long ‘state of emergency’. This ‘addiction’, as it has been referred to by several NGOs,⁴⁶ was abandoned only to be replaced by a new law that was criticised by NGOs as

⁴³ We follow the COFOG classification here.

⁴⁴ Audition du général Jean-Pierre Bosser, Chef d’état-major de l’armée de Terre, sur le projet de loi actualisant la programmation militaire pour les années 2015 à 2019, Assemblée Nationale, 26 May 2015.

⁴⁵ For an analysis of the defence-security nexus, see Serfati, Claude, *Le militaire*, op. cit., Chapter 5 “Vers l’état d’urgence permanent?”

⁴⁶ Jannerod, Benedicte, “France is addicted to the state of emergency. Put an end to it, Mr. President”, 11 July 2017, <https://www.hrw.org/news/2017/07/11/france-addicted-state-emergency-put-end-it-mr-president>

establishing a permanent state of emergency with the potential to curtail citizens' rights to liberty, security, freedom of assembly and religion. There is little doubt that the ease with which public and civil liberties can be further restricted in France is encouraged by the central role of the military and overcentralised political institutions, combined with a long established tradition in the country of the domination of the 'executive power over the legislative power ... [which], in contrast to the legislative, emphasises the heteronomy of a nation in contrast to its autonomy'⁴⁷.

5) Drivers of militarisation: the world space as analytical background

This set of facts provides evidence of a surge in militarisation – both domestically and abroad – since the end of the 2000s, and there are a number of drivers that converged to facilitate this process. The latter pertain to France's international environment and requires an analysis that proceeds from the 'global' to investigate the 'national' context. That is to say, taking into account the international positioning (or status) of a country is a prerequisite to understanding how its government and population react to global changes. The basic hypothesis of this essay, mentioned in the introduction, asserts that the world space is shaped by the intertwining dynamics of capital accumulation and the international state system. A confusion is made in some analyses when reference is made to 'global capitalism'. There is no such thing as 'global capitalism' given that social relations structured by capitalism are territorially bounded and politically organised.⁴⁸ The world market created by the internationalisation of capital results in an uneven and combined development (UCD) among distinct national territories.⁴⁹

Against this background, the international status of a country is determined by both its economic and politico-military power. Seeing as a detailed depiction of the relations between those two components, long discussed by mainstream (Hegemonic Stability Theory, Paul Kennedy, ...) and heterodox (G. Arrighi,...) scholars, would go beyond the scope of this essay, it should at least be mentioned that the way the economy and the military components are linked in individual countries reflects their national peculiarity. France and Germany provide a good example of how two countries, even when they rank in relative proximity in the world space, can have a very different economic-military mix. Since the end of World War II, France and Germany have considerably differed as regards their use of economic and diplomatic-military power in the world space. Those differences were an engine for their post-WWII partnership, as both countries found a converging interest in the development of EU institutions and markets, while starting from different perspectives and positions in the world space. Over decades, the growing influence of Germany on the European economy was to some extent compensated for by France's outstanding geopolitical role (nuclear deterrence, permanent seat at the UNSC, etc.) and military capabilities, which made France the European engine for further advances in military and security.

The '2008 moment' was a game-changer for the Franco-German 'couple'. Firstly, the widening gap between the two countries' economic performance weakened the role of France in EU governance. Secondly, it illustrated the close relationship between global economic dynamics and geopolitics. That is to say, there was no 'return of geopolitics', as claimed by the mainstream international relations camp,⁵⁰ but a new international conjuncture in which the hypothesis that capitalist social relations are politically built and territorially bounded found firm support. The fact that economic competition and geopolitical rivalries have become more closely intertwined throughout the world space is evident in the increased tensions between the US and its long-standing rivals Russia and China, but it has also

⁴⁷ K. Marx, in his analysis of Bonapartism in France, *op. cited*, chapter 7.

⁴⁸ Serfati, Claude (2013), "The new configuration of the Capitalist class", in: L.Panitch, G.Albo and V. Chibber (ed.), *Registering Class*, Socialist Register, S.138-161.

⁴⁹ On the relevance of the concept of uneven and combined development for analysing contemporary capitalism, see Radhika, Desai (2013), *Geopolitical Economy—After Hegemony, Globalization and Empire*, London: Pluto Press, und Halifax: Fernwood Publishing.

⁵⁰ Mead, Walter Russell (2014), "The Return of Geopolitics. The Revenge of the Revisionist Powers", in: *Foreign Affairs*, May-June.

become more visible in intra-transatlantic relations. The tensions inside the latter did not begin with the Trump administration and its combination of political pressures and trade measures against EU countries. It is worth keeping in mind that the negotiations on the Transatlantic Trade and Investment Partnership (TTIP) agreement, initially (and enthusiastically) presented by the US and the EU as a 'geo-economic' project aimed as 'extending occidental values', failed under the Obama administration – not least evidence of the amount of economic tensions accumulated among erstwhile solid allies.⁵¹

After the US, France is *the* western country where economic and politico-military powers are the most interwoven in the shaping of their international position. Obviously, France and the USA do not compete in the same league. And as the interaction between economy and geopolitics became closer since the end of the 2000s, this was reflected in the increased intensity of French military operations in Africa and in its assertiveness of the defence of its economic and geopolitical interests. It has also been confirmed in the activism deployed by French governments, and exacerbated by Macron, to advance EU militarisation with two concrete objectives: an attempt to leverage France's military power to compensate for its loss in economic competitiveness and to provide a rationale for increasing military budgets and attain support for military operations domestically. In short, on the world space, France attempted to use its military power as a 'competitive advantage'.

Placing the changes in the world space at the centre of the analytical framework to explain French militarisation does not imply leaving aside the relevance of drivers internal to France that made this surge possible. For one, in Africa, France holds crucial geopolitical positions, and large French corporations have strong interests in supplying nuclear technology, telecommunications, and infrastructure. Both geopolitical and economic interests are supported by social groups which are all the more powerful given that they have a marked influence on the state apparatus ('*Françafrique*' networks). Secondly, the role of the military can hardly be overestimated, seeing as the army's chief was well prepared for foreign interventions far beyond contingency plans months before action was taken, which in fact drew an emphatic praise from the US military regarding the expertise of the French expeditionary army.⁵² Thirdly, the defense industry (the FMSA) benefited, on the one hand, from an increase in the defence budget and, on the other, from military operations attributing the 'combat-proven' label to weapons well appreciated by customers. As said by the head of Nexter Systems, a ground weapon producer, in a National Assembly's hearing: 'I confirm that performances of Leclerc tanks in Yemen strongly impressed military actors in the Middle East.'⁵³ Fourthly, another factor facilitating militarisation is the overcentralised decision-making process, supported by a right-wing political consensus and compounded by an absence of significant anti-war movements, whose mobilisation capacity lags behind (by a considerable margin) those in other European countries (e.g. in Germany, Italy, the UK and the Nordic countries).

While these internal drivers have long shaped the positioning of France in the world space, the changes in the latter have fed back into the former.

⁵¹ Serfati, Claude (2015), "The transatlantic bloc of states and the political economy of the Transatlantic Trade and Investment Partnership (TTIP)". In: *Work Organisation, Labour and Globalisation*, 9 (1), p. 7–37.

⁵² Sherkin, Michael (2014), "France's War in Mali: Lessons for an Expeditionary Army", Research Report, Santa Monica, CA, RAND Corporation.

⁵³ Mayer, Stéphane, Commission de la défense nationale et des forces armées, *Nationalversammlung*, 2 March 2016 ("Pour ce qui est des chars Leclerc, je vous confirme que leur implication au Yémen a fortement impressionné les militaires de la région").

Chapter 2

Economic dimensions of the French military

This chapter addresses the economic dimension of the French military. The priority given to the design and production of weapon systems in industrial policy is analysed in section 1. Section 2 provides an overview of the place of the French armament mesosystem (FMSA) in the domestic economy. Section 3 underlines the vital role of exports for the FMSA, with two major effects, namely the disregard for basic human rights and a high rate of corruption. In section 4, some effects of the FMSA on France's economic performance are discussed.

1) The defence industry before 1958

As a country with a long tradition of militarism dating back to the nineteenth century, arms production is deep-rooted in France. Throughout the nineteenth century, the royal arms manufacturers created by the Sun King two centuries before served as the foundation for the development of a powerful metal and naval industry. The engineers, trained at *Polytechnique*, a military school founded during the revolution, constituted the bedrock of the French state's engineering system.⁵⁴ The osmotic link between the state and business also gave them a prominent role in the specific expertise of French industry owing to the economic policy inspired by Saint-Simonian ideology under the Louis-Napoleon Bonaparte regime (1852-1870). Numerous military adventures launched by the Emperor (Crimean War in 1854-1856, Italy in 1859, attempts to seize Korea in 1856, the Opium War in China, 1860, Mexico in 1862-1867, etc.) fed the production of arms and boosted the metallurgical industry. From the 1880s onwards, the growing inter-imperialist rivalries triggered an arms race between European countries, fuelled by a number of technological innovations. Schneider in France, Vickers in the UK, and Krupp in Germany are prominent symbols of the prosperity of 'gun merchants', thanks to a strong increase in military expenditures from the 1870s onwards. Over the 1870-1913 period, military spending in proportion to GDP were 3.68% in France, 2.63% in the United Kingdom, 2.56% in Germany and 0.74% in the United States.⁵⁵ In 1913, France's defence spending in proportion to GDP was 3.9%, only topped by Russia (4.6%), and ahead of Germany (3.5%) and Britain (3%).⁵⁶

The role of the arms industry is also highlighted by the distribution of France's capital exports. While France was the world's second-largest capital exporter before 1914 (albeit lagging far behind Britain), the inclination towards rentier capitalism versus industrial

⁵⁴ Belhoste, B. and Chatzis, K. (2007), "From Technical Corps to Technocratic Power: French State Engineers and their Professional and Cultural Universe in the First Half of the 19th Century", *History and Technology*, 23(3), p. 209-225.

⁵⁵ Eloranta, Jari, "Struggle for Leadership? Military Spending Behavior of the Great Powers, 1870-1913", www.appstate.edu/~elorantaj/warwick2002d

⁵⁶ Ferguson, Niall (1994), "Public Finance and National Security: The Domestic Origins of the First World War", *Past & Present*, no. 142 (February), p. 141-168.

entrepreneurship was manifest in the preference for loans to foreign governments over industrial direct investment.⁵⁷ These loans were mainly channelled to governments for military or civilian infrastructure purposes. A corollary of the massive French loans to Tsarist Russia was that French investors dominated the main private Russian arms manufacturer, the Putilov company. Similarly, loans to Turkey were granted on the condition of purchasing military equipment in return.

It is worth mentioning that the main European arms producers, English Armstrong and Vickers, German Krupp and French Schneider, while being competitors on defence markets, did not hesitate to cooperate and ignore national rivalries. Schneider bought patents from Krupp and was given a loan by Skoda, a Krupp subsidiary. Krupp, whose sales mainly depended on foreign markets, continued courting Bonaparte until just before the 1870 French-German War – after having displayed an impressive array of his guns at the International Exposition in Paris in 1867 (*Exposition universelle [d'art et d'industrie] de 1867*).⁵⁸

In the post-WWI decades, France devoted vast funds to defence, with a ratio of defence spending-to-GDP reaching 6% in some years. The defence budget was mainly allocated to personnel expenses, over 60% of the total. In the mid-1950s there were 1,230,000 soldiers (compared to 206,000 in 2018), that is three times as many as Britain had, then more populated than France. The country was enjoying an era of strong macroeconomic growth – called the ‘glorious thirty’ by French economist Jean Fourastier and the ‘golden age’ in Keynesian terminology.

Still, one challenge was to transform industrial and social structures and to adapt the French economy to the increasing internationalisation of capital. In the 1950s, France still heavily relied on its colonies: 37% of goods exports went to the colonies (and 11% to Algeria) while 25% of its imports came from there.

The big turn: 1958

The objective of transforming France’s economy was at the heart of de Gaulle’s policy. The role of defence in economic policy differed from the post-war decades in various regards. In the aftermath of World War II, economic planning (‘dirigism’) designed for France – and later for Europe – by Jean Monnet, aimed at rebuilding and modernising France’s devastated economy, was based on civilian institutions, including the State Planning Commission (*Commissariat général au plan*), the Department of Trade and Industry, and the Ministry of Foreign Trade. Under Gaullist policy, significant parts of the French system of innovation were based on large technological programmes in the defence (including nuclear), aeronautical and telecommunications sectors, carried out by state-owned technology agencies, most of them under MoD tutelage (CEA and DGA, CNES and ONERA, respectively). Civilian ministries were deprived of major responsibilities which were transferred to the military. One reason for relying on the military was motivated by the historical weakness of industrial entrepreneurship which offered little hope of the emergence of ‘industry captains’. With this policy, France, alongside the US and Britain, came to implement the prototype of mission-oriented technology policy, in contrast to the majority of western countries (Japan, Germany, Sweden, Italy, etc.), which opted instead for a diffusion-oriented policy, to use the taxonomy introduced in the economics of innovation.⁵⁹ In other words, while no sane person doubted at that time that the state had to play a crucial role in the dynamics of innovation, the way this role was interpreted differed markedly, in particular in terms of the weighting of military R&D. To give an indication, in 1981 the share of defence-related R&D in total government spending for R&D was 54% in the United States, 49% in the United Kingdom, 39% in France, 9% in Germany and 2% in Japan.

⁵⁷ Serfati, Claude (2015), “Imperialism in context: The case of France”, *Historical Materialism*, 23/2, p. 1–42.

⁵⁸ Engelbrecht, H. C. and Hanighen, F. C. (1934), *Merchants of Death. A study of the International Armament Industry*, New York: Dodd, Mead & Co.

⁵⁹ Ergas, H. (1987), “The Importance of Technology Policy”, in: Dasgupta, P., Stoneman, P. (ed.), *Economic Policy and Technological Performance*, Cambridge University Press.

This policy also had another, yet underexplored effect. At a time when decolonisation was an irreversible process, de Gaulle's policy offered the military, purged from its pro-colonial faction as it was, an opportunity to compensate for its loss of influence in France's 'backyard' by entering into the world of business more thoroughly. Some have interpreted this sweeping move as a transition from 'warriors to managers'.⁶⁰ In retrospect, the formula may have been too one-sided, however: it described one aspect of dramatic changes that took place at the time, whereas recent decades have rather illustrated the ability of the French military to consolidate its role of warriors thanks to technology and protracted expeditionary expertise in former colonies.

Military budgets dramatically increased after 1958, with the distribution of defence budgets significantly differing from the Fourth Republic. Rather than operational expenditures, the priority was given to building an army with modern equipment, including through credits for the development of an autonomous nuclear deterrence programme and large weapon systems in the three conventional forces. Nuclear programmes were particularly prioritised, their share of the total defence budget exceeding 40% in the 1960s. Another innovation was the enforcement of Military Programming Laws (MPL) in 1960 as a tool to establish a stricter framework for parliament's financial commitments. Each of the fourteen laws (including the 2019-2025 MPL) that have been implemented since this date covered a four- or five-year horizon. From a political perspective, the consequence was a facilitation of the consensus between the (right and left) mainstream parties concerning defence issues, including nuclear deterrence, long opposed by the socialist and Communist parties. In economic terms, they facilitated the pursuit of large weapon systems, despite huge cost overruns in a number of programmes. The argument was and continues to be that once they are approved by parliament for four or five years, the cancellation of programs would be difficult and too costly.

Overall, a direct consequence of the return of the military to the core of the state apparatus has been the creation of the 'French *meso-système de l'armement*' (FMSA)⁶¹, which sixty years later remains the backbone of the domestic industrial base.

2) On the concept of the French meso-system of armaments (FMSA)

The production of weapon systems is by any standard an idiosyncratic activity, in terms of a) its market structure – what is generally called bilateral duopoly in economics, i.e. only one customer, such as governments (exports are submitted to authorisations), and generally one producer of weapon systems – or aerial, ground and naval platforms, b) its regulation, with a strong control through governmental bodies over the process of design, production and exports, c) its place in the process of macroeconomic reproduction of wealth. Arms are neither a production good used as investment to expand the accumulation of capital nor a consumption good allowing workers to continue being active in the labour process.

Except for these general observations, a detailed analysis of the contribution of military expenditures to capitalist economic dynamics would go beyond the scope of this paper. Suffice it to recall that in the debate on whether military spending acts as stimulus or brake on capital accumulation and macroeconomic growth⁶² the following distinction has to be made: a) time-horizon (with different potential short-term vs long-term effects), b) macro and micro consequences (what is good for individual firms and agents may be bad for the economy and society as a whole), c) the territorial level (displacement or transfer effects from one country to another⁶³). Similar methodological caveats apply to the 'spin-offs' or

⁶⁰ Martin, M. L. (1981), *Warriors to Managers: The French Military Establishment since 1945*, Chapel Hill: University of Carolina Press.

⁶¹ Serfati, Claude (1995), *Production d'armes, croissance et innovation*, Paris: Economica.

⁶² To give an example, a recent survey of the defence-growth literature found that of 168 studies conducted since the landmark study by Benoist (1973), military spending had negative effects on economic growth in 44% of cross-country studies and 31% of case studies, 20% of studies found positive results, while about 40% reported unclear results, see Dunne, J. P. and Tian, N. (2013), "Military Expenditure and Economic Growth: A Survey", in: *Economics of Peace and Security Journal*, Economists for Peace and Security 8 (1), p. 5–11.

⁶³ When, for example, military protection of a country is performed by another country (see the protracted debate in NATO and mainstream defence economics literature on the so-called 'burden-sharing' of military expenditures between the US and

'spillovers' debate, that is, the effect of military on civilian technology, which needs to be contextualised in a similar way.

Moreover, the arms production, while being an industrial activity in the sense that it operates through a labour process, is first and foremost a direct projection of political power on the economic field, given that, in principle, the unique objective of arms production is the state's ability to claim 'the monopoly of the legitimate use of physical force within a given territory' (Max Weber) to defend a population against internal and external threats. While the national defence industry is a political projection of the state in a country's economy, it still possesses its own dynamics based on inherent economic and political mechanisms. A major reason for the lasting success of the term 'military-industrial complex' (MIC) articulated by President Eisenhower (who had been one of its prominent architects in the aftermath of WW II) is that it pointed to 'The total influence – economic, political, even spiritual – [resulting from] the conjunction of an immense military establishment and a large arms industry'.⁶⁴

For all its appeal, the MIC as such is poorly conceptualised.⁶⁵ In addition, it is clear that the relation of military to economy differs between countries, not least because of tremendous unevenness in the world space.

The concept of meso-system (better known as *filiiere* in the English-speaking world), borrowed from industrial economics, helps us define the French defence industry as the *mesosystem de l'armement*. The French MSA (FMSA), possesses the characteristics of any system, including a functionality (or purposiveness), meaning that the actual behaviour is determined by the objective,⁶⁶ as well as a strong interaction between its components (the military establishment, defence-related technological agencies, industrial companies, research centres, etc.). Two characteristics of the FMSA should be added: relationships between the components are both market- and non-market-based (involving legal and political issues), and the relations of the FMSA with its socio-economic environment are interactive. The FMSA receives impulses from outside, but in turn also modifies its broader environment through its own actions.

The DGA as an agency set up within the MoD in 1961, holds a core role in the cohesion of the FMSA and stands at the centre of intra-systemic relations. Its missions are manifold: a techno-industrial role (developing and implementing programmes for research, design, production and maintenance of weapons), a regulatory role (certification and qualification of weapon systems purchased by armies), a producer of arms (even though this role is declining with the disappearance of *arsenals*) and a promoter of exports. The internal cohesion of the FMSA is reinforced by the tight interlocking in the governance of French blue-chip companies. This confirms findings of Bourdieusian sociology on the reproduction of the ruling class and elites in France: the osmotic relations between state and big business are reinforced by a constant circulation of French elites, moving between large (public or private) corporations and state institutions throughout their careers. The larger part of these elites is trained in elite schools, with two of them dominant, *Polytechnique* and *École nationale d'Administration* (ENA). In recent years HEC, a management school, has emerged as a challenger. Such strong homogeneity in the recruitment of top management contrasts with a broader diversity among German elites.⁶⁷

its allies). See, on this point, Kalecki's acute remarks in an 1962 article, arguing that German exports had benefited from the rearmament effort of the Western alliance. See Toporowski, Jan (2016) "Multilateralism and military Keynesianism: Completing the analysis", in: *Journal of Post Keynesian Economics*, 39:4, p. 437-443.

⁶⁴ Eisenhower, Dwight D., *Farewell to the American Nation*, 17 January, 1961.

⁶⁵ Key analyses include Seymour Melman, who in a ground-breaking work identified 'Pentagon capitalism' as 'state management'. A. Markusen and J. Yudken emphasise the technological dimensions and call it the "Aerospace, Communications, Electronics (ACE) Complex". J. Cypher labels it as the 'iron triangle' which includes political civilian and military institutions, and, at its base, companies benefiting from the contracting system.

⁶⁶ Bertalanffy, Ludwig von, (1950), "An Outline of General System Theory", *The British Journal for the Philosophy of Science*, vol. I, Issue 2 (August).

⁶⁷ Massol, Joël, Vallée, Thomas and Koch, Thomas (2010), "Les élites économiques sont-elles encore si différentes en France et en Allemagne?", *Regards sur l'économie allemande*, 97 (July).

The FMSA in the French economy

Several legitimate points of criticisms apply to the military expenditures-to-GDP ratio (Milex-to-GDP) which is frequently used for international comparison and to assess the evolution of the weight of defence in a country. Firstly, the real content of both components is debatable. As for the numerator (military expenditures), the boundaries between defence and security, which long used to be delimited by the distinction between foreign and internal threats, have now blurred in leading countries' strategic documents with dramatic effects on spending.⁶⁸ Secondly, GDP as an indicator of 'wealth of a nation' is widely criticised and its use for international comparison highly fragile: the reporting of military spending data is voluntary and often opaque, and even when displaying a similar (or even an equal) ratio, two countries may strongly differ nonetheless by the structure (personnel/equipment/R&D) of their military expenditures, as is the case between France and Germany. Thirdly, although the ratio is generally used both for cross-country and chronological comparisons of security vis-à-vis enemies/threats, the relation between defence spending and national security is anything but clear. It is why the invocation of a 2% military expenditures-to-GDP ratio long advocated by NATO and reiterated by the Trump administration has a political objective rather than a real substance in terms of security.

Moving out of macroeconomic ratio and analysing defence production in relation to national productive and innovation systems brings more clarity to gauging the place of the arms industry in its respective national economy. In France, where the milex-to-GDP ratio is below 2%, industrial jobs in the defence sector account for 6.2% of total French manufacturing jobs, and defence-dedicated manufacturing sites account for 30% of the top manufacturing sites, a figure that reveals the extent of France's de-industrialisation. Still more significant, over 20% of total (civilian and military) technological capabilities (as measured by R&D and patenting) are controlled by the top 8 defence industrial groups. This major role in the national system of innovation is discussed below. Over the 2011-2015 period, the share of goods exports realised by the defence firms (but including also their civilian exports) reached an impressive 19.2%.⁶⁹

The French arms production is highly concentrated. Eight large industrial groups act as prime defence contractors, that is to say, they are in charge of all the major weapon programmes, and – as a result of industrial policy – seek to concentrate technological and financial capabilities and avoid competition amongst them. All of them hold a monopoly on the French market. In 2016, they received over 70% of all contracts awarded to domestic firms. Table 3 lists the top contractors. There are substantial differences between them in terms of size – as measured by their revenues and number of employees – but also in terms of dependence on defence procurement. Four defence contractors are totally (or almost totally in the case of DCNS) dependent on defence sales, while defence sales at Airbus and Safran account for only 20% or less of their total revenues. They also differ in terms of ownership control. Two of them are under a quasi-total control of the French state (DCNS, and the French share of Nexter– now KNDS as a result of the merger at 50:50 parity with the German KMW, with the other 50% being held by the German Wegmann group). The other contractors, while being run as private companies, are partially controlled by the state. The French state owns 11.1% of Airbus shares. Still, as the German public bodies hold 11% of ownership and the Spanish government 4.2%, the large aerospace company remains largely inter-governmentally controlled, even though 73.6% of its capital is floating, with an international ownership. Finally, MBDA's shareholding is jointly controlled by Airbus (37.5%), BAE Systems (37.5%) and Leonardo (25%). The indirect control exerted by the French state on Dassault through Airbus ended when Airbus dropped its 23.6% shares of Dassault in 2016.

Table 3: Top French defence contractors

⁶⁸ In France, our finding is that the security-related industry is almost as important as the defence industry: private security: 6 billion euros, national security: 8 billion euros, defence: 15.1 billion euros, see Serfati, C. (2014), *L'industrie française de défense*, Paris: La documentation française, p.168.

⁶⁹ Oudot, Jean-Michel (2017), "Stratégies et performances des entreprises de défense à l'international", *Ecodef*, no. 90 (March).

	State ownership (in %)	Revenues 2015 (in million €)	Share of defence revenues (in %)	Share of 2015 MoD Procurement (in %)	Share of MoD R&T contracts (in %)
Airbus	11	64,450	18	20.1	9.7
DCNS	63	3,039	97	16.1	12.8
Thales	26	14,063	50	15.5	26.1
CEA and CNES	100	6,116	32	13.7	8.2
Dassault Aviation	0	4,176	40	5.9	6.9
Safran	14	17,414	20	8.4	11.4
Nexter	50*	1,070	100	2.5	1.5
MBDA	0	2,870	100	2.9	4.0
Renault Truck Defense	0	423	100	1.3	0.1

Source: Author from DGA and Annual reports

*100% of the French part of Nexter.

As the boundaries between large French contractors may have changed over time through acquisitions and divestures, their financial links remain strong, even though some changes have taken place since 2014. The cohesion of the FMSA thus relies not least on the state acting as owner.

Finally, employment is also geographically concentrated for historical reasons, as defence production sites had to be protected from foreign armies' raids. The Paris region accounts for 28%, southern France (Provence-Alpes-Côte d'Azur) for 15%, and Brittany for 9% of total defence jobs.

Nuclear lock-in

The nuclear industry is the most obvious proof of the embeddedness of the FMSA in the French political and economic system. Just after the first oil price shock (1973), the French government decided to rapidly expand the country's nuclear power capacity. The stated objective was to achieve a greater energy security and reduce the cost of energy, yet an underlying driver was to consolidate military nuclear efforts through massive investments in electricity-oriented nuclear power which would channel financial resources to large nuclear programmes. Forty years down the road, France is the country with the highest share of nuclear power in the energy mix. In 2018, Nuclear power plants accounted for over 70% of total French electricity generation from 25% in the early 1980s. In December 2015, France hosted the COP 21, and it took less than three years for President Macron to renege France's commitment to reducing nuclear power's relative share of electricity production to 50%. Instead, in an address to the European Parliament in April 2018, he stated the objective to continue operating the Flamanville 3 EPR.

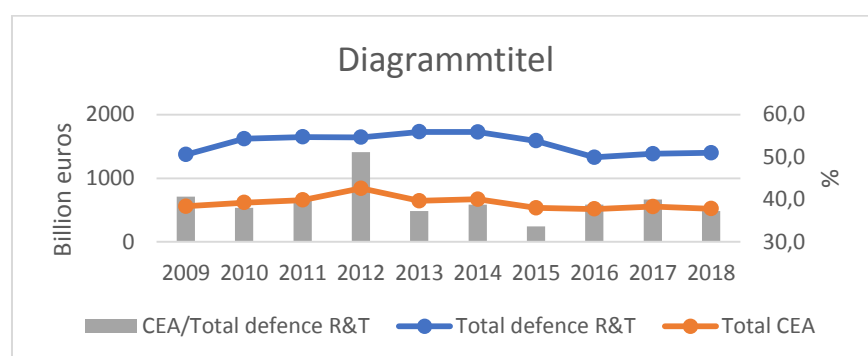
In reality, the French nuclear industry is trapped in what has been identified by scholars of economics of innovation as a 'lock-in'. High costs in the early phase, due to strong uncertainty in the design of complex systems, coupled with the opacity and absence of control⁷⁰ over the project for security reasons, facilitate inherent mechanisms which account for the self-reproduction of the French nuclear system.

The share of nuclear arms in defence procurement was very high in the 1960s, rising from 40.8% (1964) to 50.6% (1967), then steadily declining to around 39,8% in 1970, 31.1% in 1980, 31.4% in 1990, 19.1% in 2000. The fall was brought to a halt at the end of the 2000s

⁷⁰ The head of the National Assembly's defence committee regretted that 'data on nuclear issues are marked with an immense confidentiality [...] As a representative of the nation, I ask myself, if access to information should not be improved'. L. Saint-Paul, "Avis sur le projet de loi relatif à la programmation militaire pour les années 2019 à 2025", *Assemblée Nationale*, no. 732, 7 March 2018, p.70.

(23.1% in 2009). The 2019-2025 Military programming law (MPL) proposes the doubling of the nuclear budget from 3 billion euros in the 2010s to 6 billion euros by 2024 and 2025. The weight of the nuclear sector is far more important with regard to research. Figure 1 illustrates the distribution of the public Research & Technology budget (R&T, which includes basic and applied research but not development) from 2013 to 2018. Over the 2009-2018 period, the share allocated to the nuclear technological agency CEA almost reached 40% of the total defence-related R&T funding. CEA is also a prominent funding recipient when compared to public civilian technological agencies. Only CNRS employs more researchers than CEA, while other agencies with medical and health (INSERM) and agricultural specialisation lag far behind the CEA.

Figure 1: R&T expenditures in conventional and nuclear defence programmes



Source: Author from parliamentary reports.

Confirming the role of schools in the reproduction of French elites, the *École des Mines*, the most prestigious engineering faculty at *Polytechnique*, from which the vast majority of the nuclear industry's top managers graduate, is in an outstanding position. Despite an ultra-small number of alumni (15) trained each year, they are in key management positions in blue-chip companies.⁷¹

3) Vital but fragile exports

Ever since the early 1960s, the DGA's head made it clear that the French defence industry's make-up was based on an export rate of about one third of its production. Economic arguments went as follows: it was necessary to promote exports if France, whose domestic market was (and is) much smaller than the American and Soviet markets, were to develop an independent conventional defence production, without an excessive burden on taxpayers. Also, the budget for designing, developing and producing nuclear weapons diverted funds from conventional weapons production that had to be compensated for by export earnings.

In short, if France was to develop an independent arms production, it had to become dependent on foreign governments buying French arms. Another narrative articulated by policymakers was that the defence industry was a 'propeller of industrial development', as the Ministry of Defence claimed in 1987, a formula consensually approved at a time of 'cohabitation' between the neo-Gaullist government and socialist President Mitterrand.

There was also a political argument for France to sell weapons based on its 'arbitrator' role in international relations. France targeted countries that were 'non-aligned' to either Moscow or Washington and, in contrast to the two superpowers, France was able to sell weapons with few political strings attached. The Socialist defence minister declared in 1982: 'Yes, I have a good conscience when I sell arms to a country if that prevents it from buying them from one of the superpowers.'⁷² Courting 'non-aligned' countries seeking to circumvent the US foreign military sales procedures resulted in a dramatic shift in the geographical orientation of

⁷¹ Dudouet, François-Xavier and Joly, Hervé, "Les dirigeants français du cac 40: entre élitisme scolaire et passage par l'État", *Sociologies pratiques* 2010/2 (no. 21), p. 35-47.

⁷² Quoted in Dussauge, Pierre (1998), *L'industrie française de l'armement*, Paris: Economica, p. 96.

exports. Over the 1970s and 1980s, developing countries received the bulk of arms exports, with Europe's share averaging at less than 10% of total French arms exports. Protracted conflicts in the Middle East and Africa gave a considerable boost to French exports, while reinforcing the reputation of French products thanks to the 'combat-proven' label, an argument well-advertised by business in post-2008 wars carried out by France (see Chapter 1).

The ample industrial and technological cooperation with Iraq's Saddam Hussein during the 1980s was a good example of the strategy's success, at least until 1991, when the embargo placed on exports to Iraq closed the era of lucrative relations between French companies and 'our ally Saddam'.⁷³ This rupture demanded a high price paid by French taxpayers, as the Iraqi ruler refused to settle the bills for massive deliveries of French sophisticated weapon systems bought in the 1980s and used during the Iraq-Iran war.

This resolute export policy still paid off for the defence industry, as shown by a comparison with Britain, a country of comparable size with a similar expertise in arms production and inclination to armament exports. Between 1950 and 1970, French exports were half the volume of British exports, while, by 1973, for the first time, French exports matched British exports, and between 1985 and 1990 France exported twice as many arms as Britain. For the past two decades, France has ranked at the top of arms exporting countries (SIPRI).

The collapse of the USSR deprived French governments of the argument of being an alternative to the two superpowers. The enduring efforts to maintain the share of France in the global arms trade and find new customers led to a persistent failure to consider buyer countries' human rights records.

4) Diplomacy and human rights

As a top arms exporter, France is confronted with two snags that have always plagued this particular trade: its contribution to human rights violations and a high degree of corruption. It has been a permanent feature of French arms exports policy to ignore concerns for human rights. The fact that the NATO market was hardly accessible given de Gaulle's policy – suffice it to remember the 'contract of the century' to equip European countries and rejecting General Dynamics' F-16 in favour of Dassault's Mirage F1 fighter jets in the 1970s – transformed the Middle East into a vital area for French defence companies. Success was made possible through France's presence during the era of classical imperialism, in particular after the secret Picot-Sikes agreement (1916) and when, after World War II, it maintained close geopolitical relations in this region (including with Egypt).

Because of the economic and political necessity to sell arms, and despite all the treaties signed and measures taken on the international scene, France's record is pretty bleak in its adherence to human rights as far as arms sales are concerned. It would take too long to spell out the list of military support, including with arms deliveries to repress domestic revolts, brought to African France-sponsored governments, including, more recently, to Tunisian Ben-Ali (see Chapter 1). Virtually all African clients politically and militarily supported by France, alongside the Middle East clients, rank very low by democratic standards.⁷⁴ Although public pressure has indeed increased more recently, the issue of arms supplies and their potential use by recipient countries has been of little interest for decades. To name just a few examples: after the 1963 UN call to heed the embargo on arms sales to the South African apartheid regime was followed by its traditional suppliers (Britain and the US), France seized the opportunity to strengthen its presence in 'White Africa'. Over the following two decades, France became South Africa's principal supplier, maintaining the fiction that arms contributed to South Africa's external security, although they were, of course, used to repress anti-apartheid movements. France also considered the support for the racist regime an opportunity to provide nuclear material and facilities. It was only in 1977 that the Giscard d'Estaing government reluctantly imposed an arms embargo.

⁷³ "Notre allié Saddam" is the title of a French bestseller published in 1992.

⁷⁴ Almost all of them are located in the 'authoritarian' category of countries listed in The *Economist Intelligence Unit Democracy Index* 2017.

In the 1990s, the French military supported the Rwandan government and continued delivering arms even after the genocide, which would leave more than one million people dead between April and July of 1994, had begun. Successive French governments have firmly rejected any criticism of the 1994 socialist-Gaullist ('cohabitation') government for its support to the Rwandese regime. As late as July 2016, the French Ministry of Defence, J.Y. Le Drian criticised a Rwandan probe into French officers' conduct: 'To suggest that the French army took part in genocide is a despicable lie that I will not tolerate.'⁷⁵

The gap between official adherence to strict criteria for arms transfers and reality has been widening in recent years. Despite a call by the European Union on its member states to suspend their arms transfers to Egypt in order to prevent them from being used for domestic repression purposes, arms sales by France have seen a significant increase in recent years, with France ranking as fourth-largest supplier – all in the name of the 'fight against terrorism'. Armoured vehicles supplied by Renault Trucks Defense in the deadly suppression of protests in Egypt since 2013 are only one of the numerous examples documented in a comprehensive report recently published by NGOs.⁷⁶ The reason is that firm political support given to the Egyptian government, elected after an electoral campaign deemed by Paris to be 'credible and transparent, enabling all to participate and satisfying international norms'⁷⁷ is a prerequisite for selling arms.

A similar discrepancy between stated principles on human rights and reality is plain to see with regard to sales to Saudi Arabia and the United Arab Emirates. According to a report commissioned by Amnesty International and the French human rights group ACAT, the weapons exported by France can be used in the conflict in Yemen and may be used to carry out war crimes.⁷⁸ A poll found that a large share of the French population (75%) wanted President Macron to suspend arms exports to the Saudi-led Yemen coalition, including Saudi Arabia and the United Arab Emirates,⁷⁹ and that 69% of French people wanted to see a strengthening of the role of the French parliament in controlling arms sales. Such a high opposition could be a sign of French citizens' heightened awareness of the opacity of export licensing procedures, which, in conformity with the 'logics' of Fifth Republic's institutions, include no parliamentary checks or balances. It may also be a reflection of the fact that French civil society has been more and more informed by media about how strongly the defence business, corruption and politics are intertwined. Illicit cash transfers have not only involved 'go-between' (or intermediary) actors, but also French political elites. An outstanding case is former president Sarkozy being formally treated as a suspect by magistrates investigating claims that his 2007 election campaign received funding from late Libyan leader Muammar Al Gaddafi.

Impact on French civilian industries

This section focuses on the impact of the French defence industry on the country's national productive and innovation system. It is worth mentioning that, despite Macron's ambition to transform France into a 'start-up nation', as he said before an audience of tech company bosses, including Facebook, IBM, Intel Corp's and Microsoft Corp,⁸⁰ a national economy cannot be managed as a firm. Decades ago, non-mainstream scholars in industrial and innovation economics introduced the concept of a national system of production and innovation to underline that the industrial dynamics of a country and the success of its products on world markets – its 'competitiveness' – is created through carefully designed industrial policies which support the development of technological capabilities and encourage backward and forward linkages among industrial sectors. And because the world space is

⁷⁵ Uwiringiyimana, Clement, "Rwanda probes possible role of French officials in genocide-prosecutor", *Reuters*, 30 November 2016.

⁷⁶ FIDH (2018), "Egypt: A Repression Made in France", no. 716a (June).

⁷⁷ *ibid.*, p. 44.

⁷⁸ FIDH (2018), "French arms sales: 'indicators of presence' in Yemen and the necessary reform of control mechanisms", no. 714a (May).

⁷⁹ *Reuters*, 8 December 2017.

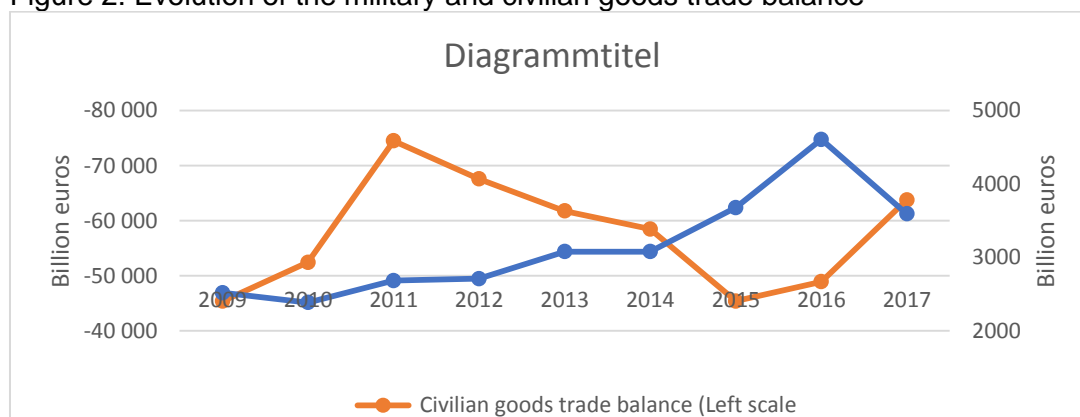
⁸⁰ Adelman, Liz, "Macron Vowed to Make France a 'Start-Up Nation.' Is It Getting There?", *New York Times*, 23 May 2018.

fragmented along national lines and strongly hierarchical (see Chapter 1), there is no reason why industrial policies should be identical across nations, even in countries ranking at a comparable level, say, Britain and France.

The international specialisation of the French industry results to a large extent from economic and political choices made after WWII, and, more precisely, from de Gaulle's industrial and technological policy. Large technological programmes in the defence (including nuclear), aeronautic and telecommunications sectors, operated by state-owned technology agencies, most of them under MoD tutelage (CEA and DGA, CNES and ONERA, respectively), had a strong influence on France's international industrial specialisation.

Confident that there would be little challenge to their claims coming from policymakers or elite circles, French ministers of defence used to claim that the defence industry is a 'technological propeller'. That said, even the DGA, the industrial and technological arm of the MoD, no longer adheres to this creed. Considering the growing disconnection between the trade balances in defence and civilian goods, this shift appears plausible. While the military trade balance was positive over the 2008-2017 period, the rest of the industry suffered a huge deficit, with a 'scissor effect' between the two trends (see Figure 2). The problem is that the volume of the military goods surplus is very small in absolute numbers (between 2.5 and 4.6 billion euros per year) when compared to the huge trade deficit in civilian goods (between 45 and 75 billion euros per year).

Figure 2: Evolution of the military and civilian goods trade balance



Source: Author, from *Douanes* data.

Addressing the debate on the relationship between military and civilian technologies would go beyond the scope of this paper, which is why only a brief summary of the reasons why the strong technological capabilities fell short of diffusing positive effects to other sectors can be provided here.⁸¹ Technologies for military purposes are designed to produce weapons operating in harsh and hostile environments which are quite different from those pertaining to commercial products in terms of resistance to shocks, temperature extremes, radiation resistance, cyber security requirements, etc. They are not considered by price criteria but by their ability to prevail over enemy technologies. Moreover, the speed at which commercial technologies were developed over the last decades significantly fell short of that of technologies designed for weapon systems. One example in particular is that of information and communication technologies and the progress in Artificial Intelligence, advanced autonomous robots, and cloud infrastructure, etc.⁸² Finally, huge defence R&D budgets now serve to adapt technologies designed for commercial markets to the military's highly demanding physical-chemical and regulatory environments.

⁸¹ Serfati, Claude (2001), "The adaptability of the French armaments industry in an era of globalization", in: *Industry and Innovation*, vol. 8, Issue 2, p. 221-239.

⁸² The U.S. Department of Defense established a project called the Joint Enterprise Defense Infrastructure cloud, or JEDI, involving transitioning massive amounts of Defense Department data to a commercially operated cloud systems, see Nix, Naomi, Brody, Ben und Miller, Kathleen, "Pentagon's Winner-Take-All Move on Cloud Contract Expected to Favor Amazon", *Reuters*, 26 July 2018.

Indeed, there is often a confusion in between the funding of technologies on the one hand and their development and application on the other. Even in the immediate post WWII decades, when the Department of Defence provided generous funding to private companies, it was able to rely on established enterprises. Neither Texas Instruments' (TI) discovery of the integrated circuits nor Fairchild Semiconductor's development of the planar process for mass-producing silicon chips, nor Intel's microprocessor was supported by the DoD,⁸³ which only intervened *after* the discoveries were made to award development contracts to these firms. By contrast, French governments pursued a proactive technology policy through massive defence contracts.

The priority given to large-scale defence programmes in French technology policy had several sectoral consequences. In industrial sectors such as aeronautics and space as well as nuclear based on a strong proximity between military and civilian technologies, the French industry maintains a strong competitive position on the world market. One problem is that the nuclear market has been slowing down in recent years for a number of reasons, in particular safety, dissemination, and environmental concerns. This has resulted in a dramatic financial fiasco and the decision to compensate for the loss of foreign markets by the continuation of costly domestic programmes that will increase the bill for French taxpayers. The French aeronautic industry is in a quite different situation. The steady growth of air traffic has boosted the aircraft industry, and the French aviation industry is consolidating its second rank on the world market.

In industries with strong forward linkages with the arms production, the industrial specialisation of France has had negative consequences. The often invoked 'duality' between military and civilian electronics technologies in the early stages of their development turned out to be a fallacy. The creation of national champions in the 1960s/70s – known today as Thales and Alcatel – failed to create positive effects for civilian industries. In 2018, the deficit in ICT goods trade was one of the most important French deficits. Another example of failure is the machine tool sector (or, as referred to today, Numerically Commanded Machine Tools, NCMT). Countries with a strong industrial base such as Germany and Japan also possess a competitive machine tool industry. Conversely, in France, because the demand for industrial equipment by major defence contractors to produce air, ground and naval platforms is highly specific, the forward linkages between aerospace, ground arms and naval technology in the French productive system have contributed to the marginalisation of domestic NCMT producers on the world market. Successive state-funded programmes aimed at supporting the French industrial equipment industry – in particular the one launched in 1982 – failed, not least because the main recipients of funds were the top defence contractors who exhibited little interest in supporting their suppliers' efforts to develop products for commercial markets. History it being repeated on the promising market for service robotics (cleaning, medical, mobile platforms, etc.): some 83% of the programme launched in 2013 (226 million euros) is being carried out by the defence body DGA.⁸⁴

⁸³ De Grasse, Robert (1984), "The Military and Semiconductors" in: Tirman, J. (ed.), *The Militarization of High Technology*, Cambridge, Mas.: Ballinger Publishing Co., p. 90-92.

⁸⁴ PIPAME 2012.

Chapter 3 France, EU defence and NATO

Introduction

Ever since the end of World War II, French governments have been at the forefront of the European project, above all as a way to assert French geopolitical and economic interests. While awarding intergovernmental cooperation, in particular with Germany, a priority, they have supported the Commission's efforts to gain momentum in defence matters (section 1). Another issue demanding clarification in this context is France's relation to NATO. French governments have always regarded their relation to the alliance in terms of having to combine a commitment to the transatlantic bloc with preserving France's specific geo-economic interests (section 2). The reintegration into NATO's military command structure in 2009 did not alter this political objective (section 3).

1) Pushing the EU defence agenda

French governments have been pushing for a European defence agenda for decades. This was in line with the Gaullist tradition – at the time fully endorsed by socialist presidents – to regard the strengthening of Europe as a way of consolidating French geopolitical and economic interests. Confirming the deep embeddedness of state institutions in France, it became clear that EU membership reinforced hyper-presidentialism, with a tight grip of the president on European policy to the detriment of the French Permanent Representation in Brussels.⁸⁵ French governments were active in the EU economic agenda, but have increasingly given in to Germany's momentum,⁸⁶ as the economic and financial gap between the two components of the 'couple', already quite significant in the 1970s, has become increasingly wider over the past two decades. The situation is different in defence matters, where France has maintained an 'outstanding competitive advantage' over its EU continental partners since the end of WWII.

It has often been said that Europe represents 'a power multiplier for French security policy',⁸⁷ a position shared by all mainstream political parties, as well as all the components – military, industry and state institutions – in charge of defence. The strategy of 'power multiplier' is still only possible because France is already a top military power forging ahead of most member states. Supporting the emergence of the EU as a military power would in turn consolidate the leading position of France in that field. This is why official documents see the 'building of a European approach to defence and security [a]s a priority'.⁸⁸

In the field of defence, French interests have often been coincided with the Commission's agenda, keen to increase its own competences. For decades, defence was stubbornly kept

⁸⁵ Rozenberg, Olivier (2011), „Monnet for Nothing? France's Mixed Europeanisation“, in: *Les Cahiers européens de Sciences Po*, no. 4

⁸⁶ Clift, Ben und Ryner, Magnus (2014), “The Eurozone crisis and the politics of austerity”, *French Politics* 12(2) (June).

⁸⁷ Treacher, Adrian (2001), “Europe as a power multiplier for French security policy: Strategic consistency, tactical adaptation”, in: *European Security*, 10:1, p. 22-44.

⁸⁸ *White paper on Defence and National Security*, Paris: Odile Jacob, 2008, p. 62, <http://www.mocr.army.cz/images/Bilakniha/ZSD/French%20White%20Paper%20on%20Defence%20and%20National%20Security%202008.pdf>

under member states' national sovereignty as stipulated by the Treaties of Rome (Article 223) and confirmed in successive treaties ratified by member states, which allows them to derogate from common market rules when their essential security interests are at stake. As stated in a European Parliament resolution on the Lisbon Treaty, 'the reinforcement of the CSDP in line with the Treaties will not impinge on national sovereignty, as this policy is driven by the Member States'.⁸⁹ Nevertheless, the Commission as a para-state institution looking for an extension of its own powers, was eager to enter this field, and therefore required the support of powerful member states. The Commission drew upon the inclusion of defence in intergovernmental treaties to enlarge its role, including by challenging interpretations of certain treaty articles before the European Court of Justice. The introduction of the pillar structure in the Maastricht Treaty of 1993 and the progressive framing of a common defence policy in the Treaty of Amsterdam of 1998 were paralleled in 1996 by the Commission's proposal for large-scale funding of 'dual-use technologies' in its 'Research and Technological Development Programme'.⁹⁰

Also in 1996, the Commission released a Communication which claimed a broader role for defence-related European industry.⁹¹ The corresponding arguments were that developments concerning common security and defence policies as stipulated in the Maastricht Treaty require close cooperation on armaments, that the implementation of common market rules (non-discrimination and equal treatment principle, competitive tendering, open and transparent procedures) would boost the defence industry's competitiveness, and finally the fact that potential dual-use technologies accounted for as much as one third of the overall research budget. Subsequently, the STAR 21 report published in July 2002 realised by an Aerospace Advisory Group, bringing together senior industry representatives and members of the Community Institutions, stressed the need for addressing the industrial aspects of defence. Owing to their leading position in the European aerospace industry, French companies were strongly represented in this advisory group. A year later, the Commission produced an important communication on defence equipment and in a hardly veiled message asked for relaxing controls of exports, demanding that 'great care must be taken to prevent civil industrial sectors such as nuclear, chemical, biological, pharmaceutical, space and aeronautics, information technologies, which are potentially affected by the controls [on dual-use goods], from being constrained unnecessarily or unequally'.⁹² The Commission, supported in this effort by French governments and large European defence companies, referenced the Lisbon Treaty in order 'to exploit possible synergies and cross-fertilisation which come from the blurring of the dividing line between defence and security and between civil and military'.⁹³

French governments supported the Commission, including with an active presence in Brussels. They were confident of the benefits that would arise for French large-scale defence contractors from European consolidation at the industrial level. This particularly applied to aeronautics and electronics. In the 11 large operations of concentration in the defence industry between 1989 and 1996 listed in the Commission's report, 11 were carried out by French companies, 8 by UK companies, 4 by Germany, 1 by Spain. Another expectation was that a significant share of the Community-funded aeronautical and space-technological programmes would benefit French firms because of their leading position in this sector – which has been confirmed since. French companies Thales and Safran, and companies with strong French influence (Airbus), along with the atomic agency (CEA) were major

⁸⁹ European Parliament resolution of 16 March 2017 on constitutional, legal and institutional implications of a common security and defence policy: possibilities offered by the Lisbon Treaty (2015/2343(INI)), point 18.

⁹⁰ European Commission (1996), "The Challenges facing the European Defence-related industry", COM(96) 10 final, Brussels, 24/1/1996, Brussels.

⁹¹ Commission communication on the challenges facing the European defence-related industry, a contribution for action at a European level (COM (96)0010 C4- 0093/96).

⁹² Communication from the Commission (2003) "Towards an EU Defence Equipment Policy", Brussels 11 March, COM(2003) 113 final, p. 16.

⁹³ European Commission (2013), 'Towards a more Competitive and Efficient Defence and Security', COM/2013/0542 final, p. 4.

beneficiaries of EU-funded R&D programmes.⁹⁴ Interestingly, the sectoral participation of France in the European research area via its participation in Horizon 2020 reflects its long-standing international specialisation in industrial sectors depending on military technological capabilities. The (nuclear) Euratom programme accounts for 17.5% of total French participation in Horizon 2020 (versus 10.5% for Germany and 10% for the UK). Space ranks second, while it ranks fifth for Germany, and fourth for the UK.⁹⁵

In December 2016 the European Defence Action Plan (EDAP) was approved by the European Council, and a few months later (June 2017) the Commission launched the European Defence Fund (EDF), allowing it for the first time to use the EU budget to directly and entirely support research projects in the defence sector and to co-finance defence capabilities. This move is 'hailed as major event for Europe from both a political and an industrial perspective' in the French strategic review,⁹⁶ even though a few paragraphs later the document warns: 'However, this new European dynamic in defence must not come at the cost of freedom of use, action, and decision at the national level.'⁹⁷ Likewise, in contrast to its pro-European enthusiasm, the same document lists strict considerations for potential cooperation in the production of defence systems equipment. The list of technologies included in the *Strategic review 2017* makes it clear that the bulk of them feature in the 'sovereignty' category (see Table 4).

Table 4: Ambition in terms of technological & industrial cooperation

Modality	Technologies	Exemples
Sovereign / Purely national approaches	hardware and software integrity, freedom of use, and operational superiority	Sensors for air, land and naval communication and networks, real time chain of command and mission, stealth, effectors for air and naval missiles
Cooperation, with nationally preserved skills	sharing may be an option, but is not the general rule, reverting to the sovereign posture remains a possibility	Vehicles in uncontested environments (except in space)
Cooperation with mutual dependency	complementary technical or technological expertise among partners who accept foregoing one or more areas of expertise, while ensuring all fields are covered and retained specialised competences are shared	Vehicles in contested environments (except in space), effectors for land missiles, sensors for space
Market	where specific national or military requirements are of minor importance, as either the market provides a broad, multifaceted range of products, or the investment	Operational information systems in cyberspace

⁹⁴ Hayes, Ben (2009), *NeoConOpticon: The EU Security-Industrial Complex*, Statewatch and TNI, <http://statewatch.org/marketforces/>

⁹⁵ Ministère de l'Enseignement supérieur, de la Recherche et de l'Innovation (Ministry for Higher Education, Research and Innovation), data for January 2014-September 2016.

⁹⁶ *Strategic review of Defence and National Security 2017 (Revue stratégique de défense et de sécurité nationale 2017)*, p. 57.

⁹⁷ *ibid.*, p. 65.

	cost ('entry ticket') is considered acceptable	
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Source: Author's illustration deduced from the *Strategic review 2017*.

The ambiguity in the French position is also reflected in the proposals made to strengthen the EU defence industry. In recent years French governments have challenged the fair return rules – by which each country receives the same share in allocation of contracts as invested through financial contributions. The argument is that the 'sharing of development and production activities must now be organised according to a strict principle of industrial efficiency and economic performance'.⁹⁸ This reflects the confidence that a 'pure competitive defence market' would favour French defence companies. The proposal seems somewhat ironical because the French defence market is largely closed to foreign competition, something that will probably be maintained in keeping with the strict criteria listed above for cooperation in weapon programmes (see Table 4).

Likewise, the limits of France's commitment to EU defence were underlined after the terror attacks on its territory. It has been argued that the reference to article 42.7 (TEU) rather than article 222 (TFEU) – let alone asking for the activation of NATO's Washington Treaty article V – left France in control of the process, while recourse to article 222 would have been more constraining for the French government and would have involved EU institutions.⁹⁹

While progress on defence issues has always relied on intergovernmentalism for obvious reasons, which, as it were, entirely depends on political will, France was also active both at the Council level and in a bilateral way. The creation in 1996 of OCCAR (*Organisme conjoint de co-operation en matière d'armement*, in English: Joint Arms Cooperation Agency) represented an effort to achieve greater efficiency in cooperation in arms programmes between the states creating the organisation: France, Germany, the UK and Italy. On 6 July 1998, the Letter of Intent (LoI) was signed by six countries (France, Germany, Italy, Spain, the UK and Sweden) and expressed the desire to establish a cooperative framework to facilitate the restructuring of the European defence industry. And it was hardly surprising that, in the 2002 discussion on the European Convention, France played major role in the creation and proposals of the working group dedicated to defence (group VIII), chaired by Michel Barnier.

At least as important is the bilateral cooperation of France with the UK and Germany, respectively. One reason is that the three countries are the largest military powers in Europe, another reason being that common security and defence policy is not only an intergovernmental competence, but it requires unanimity of member states in order to become a Council decision (Article 42 of the Treaty on European Union).

France engaged with the UK on major issues. The Saint Malo Declaration between the two countries (1998) forged a compromise, with Tony Blair and Jacques Chirac agreeing to develop a European defence policy in a manner that would be complementary to the Atlantic Alliance and not in competition to it.¹⁰⁰ Another major agreement was the Lancaster Treaty signed by John Major and Nicolas Sarkozy in 2010. The agreement concerned two items that distinguish the two countries by their military might from other EU member states: nuclear power and military interventions with the Combined Joint Expeditionary Force (CJEF), an initiative in line with the proposal made by the two countries in 2003 regarding the development of a rapid reaction force capable of being deployed in an autonomous operation within 15 days to respond to a crisis.¹⁰¹ One year later, the war in Libya seemed like a baptism of fire for the CJEF, and while not being a permanent standing force, but consisting

⁹⁸ *White paper* 2013, op. cit., p. 121.

⁹⁹ Legrand, Jérôme (2015), "Will CSDP enjoy 'collateral gains' from France's invocation of the EU's 'mutual defence clause'?", DG EXPO/B/PolDep/Note/2015_338 EN, December 2015 - PE 570 452.

¹⁰⁰ The declaration reads (point 2): 'The Union must have the capacity for autonomous action, backed up by credible military [...] in conformity with our respective obligations in NATO, we are contributing to the vitality of a modernised Atlantic Alliance which is the foundation of the collective defence of its members'.

¹⁰¹ Joint Communiqué, French-British Summit, London, 24 November 2003,

of land, naval and air force elements, CJEF is not short of prospects given the disastrous situation in some African regions, a familiar area to the two former colonial powers.¹⁰² Despite Britain's exit from the EU, both governments confirmed in a 2018 summit a number of initiatives to strengthen UK-France cooperation, building on the 2010 Lancaster House Treaties. Because the long-stated reluctance of the UK to advocate for European defence, bilateral cooperation between France and the UK could be seen as bypassing the European Union's institutions to a larger degree than the cooperation between France and Germany. And many indeed interpret it as such, seeing as the St-Malo Treaty was met with some distrust in a number of European countries, including Germany and Italy, which felt that France was turning its back on them and the European Union.

2) France and NATO: above all, a 'western power'

The relationship between France and the Atlantic Alliance epitomises how French governments saw the positioning of their country in the world space: a combination of commitment to the transatlantic bloc (see Chapter 4) while preserving France's specific geo-economic interests as far as possible. This was encapsulated in de Gaulle's words: 'friend, ally, non-aligned'. Even at the height of France-NATO tensions, when the French president decided to withdraw his country from the integrated military structure while still remaining member of the alliance in 1966 and retained a seat at the North Atlantic Council (NAC), he confirmed in a letter to President Johnson that 'France is aware to what extent the defensive solidarity thus established between 15 free western nations contributes to ensure their security, and especially of the essential role played in this respect by the United States of America'. And to avoid any misunderstanding, de Gaulle concluded his letter as follows: 'France considers herself compelled to modify the form of our Alliance, without altering its substance.'¹⁰³ In reality, as a French expert observed, de Gaulle's goal was to restore the rank of France as a western country: 'western, an adjective which evidences General de Gaulle's policy.'¹⁰⁴

France was an active founding member of NATO, even though the United States successfully managed to exclude France from the earliest stages of talks,¹⁰⁵ and despite the fact that, in the early years after the war, the fear of German rearmament was frequently expressed by policymakers, including by de Gaulle,¹⁰⁶ French governments by all means perceived Russia as the main danger.

Over the years the international positioning of France led to a series of tensions with the US, that is, with NATO. The tensions began very early. The US intervention in the Suez crisis (1956) against French and British interests, and, more generally, the support of the US for decolonisation was a key signal for de Gaulle that a new radical turn was needed in the relations between France and its colonies if it were to remain a major power (see Chapter 1). In 1958, just after he returned to power, he proposed a tripartite NATO directorate which would include the US, the UK and France – a proposal that was not even responded to by the US.¹⁰⁷ The Suez crisis and this strong rebuttal by the US was followed by tensions between France and NATO, which paved the way for France's limited NATO exit a few years later. Note that, as observed by a top manager at NATO, the UK drew the exact opposite

¹⁰² In 2018, Brexit notwithstanding, the UK's prime minister announced that her country would deploy UK Chinook helicopters and their crews to the Sahel, along with heavy lift transport aircraft, in support of French troops.

¹⁰³ Letter from President Charles de Gaulle to President Lyndon Johnson on France's withdrawal from the NATO command structure (7 March 1966).

¹⁰⁴ Grosser, Alfred (1982), *Les Occidentaux*, Paris: Points histoire, p. 232.

¹⁰⁵ Fortmann M., Haglund H. and Hlatky S. von (2010), "Introduction: France's 'return' to NATO: implications for transatlantic relations", in: *European Security*, vol. 19, 1.

¹⁰⁶ In 1945, he told the US ambassador in Europe that given the Soviet threat 'it was very important, he told Caffery repeatedly, that France work with America', see Creswell, Michael und Trachtenberg, Marc (2003), "France and the German Question, 1945–1955", in: *Journal of Cold War Studies*, vol. 5, Issue 3 (Summer), p. 5-28.

¹⁰⁷ Furniss, Edgar (1961), "De Gaulle's France and NATO: an Interpretation", in: *International Organization*, vol. 15, no. 3, p. 349-365.

conclusion from the Suez disaster: 'In the UK we took the decision that Suez meant that we should never do anything without the Americans again.'¹⁰⁸

In order to compensate for the strong imbalance between France and the US within NATO, French governments tried to increase their influence through enhanced cooperation with European countries. After the brief interval at the end of WWII, during which Britain and France hoped to unite their efforts in an attempt to limit the US's overwhelming power (materialised in the bilateral Dunkirk Treaty of February 1947), French policy oriented towards the establishment of a European pillar in NATO. For obvious reasons, Germany was an indispensable ally in those efforts. The French policy based on finding an agreement with Germany on defence issues was in line with the US policy of promoting the rearmament of Germany to counter threats from the USSR. The first steps were taken in late 1950 with the 'Pleven Plan' for an integrated European army, incorporating the armies of six nations (soon founding the European Community in the form of the Treaties of Rome). It was followed in May 1952 by the treaty creating the European Defence Community (EDC), ultimately failing to receive approval from the French National Assembly (August 1954). Then came the intensive Franco-German rapprochement under de Gaulle and Adenauer, culminating in the Élysée Treaty (1963). As the fields included in bilateral cooperation covered foreign policy, education and defence, de Gaulle attached great importance to the latter, because 'without organised military cooperation, political cooperation would lose its purpose'.¹⁰⁹

Indeed, the Gaullist project, continued by his successors, was to set up a 'European Europe' through which France would project its power. Over decades, and because of the decline of France's global influence, the implicit slogan was more realistically transformed to 'a European pillar of NATO'. Today, EU member states associate this slogan – which is complicated rather than simplified by the discourse about an 'independent European defence policy' – with quite different ways of acting, ranging from complete subordination to the US to the creation of Europe's own integrated military capabilities (see Chapter 4).

De Gaulle was convinced that the US would block any attempt by Europe to emancipate itself and he put forward a vision based on France being a 'third party' between the US and USSR, speaking of a Europe stretching 'from the Atlantic to the Urals'. Again, this stance was confronted with the reality of France's diminished influence, a fact that was acknowledged a decade later by François Mitterrand, the French socialist president, when he proclaimed 'independence within the alliance'.

3) The new international setting of the 1990s and the steady move towards reintegration into NATO

In the 1990s, the historical changes in the geopolitical and economic international context marked a turning point. The USSR's collapse made France's position as so-called arbitrator between the US and the USSR obsolete, narrowing down its manoeuvring room in international geopolitics outside of its African 'backyard'. The economic context must also be included in the analysis. The French economy was plagued by the temporary collapse of the EMU (1992 and 1993). The Maastricht Treaty (1992) with its strong pressures on public budgets (the 'convergence' criteria) and the decision to move to the single currency by the end of the decade resulted in diminishing autonomy for French macroeconomic policy.

This new context, with the US enjoying an unrivalled position, led French governments to accelerate the rapprochement with NATO. The 1991 Iraq war was, from this perspective, a watershed. As the Iraqi regime had been a good customer of French sophisticated weapons and other high-tech products for a long time – indeed a top customer during its war with Iran – Mitterrand embarked in this new war from a marginalised position, both in military terms abroad (with French aircrafts unable to fly initially because of incompatible friend-or-foe identification systems with US and British aircrafts) and politically at home, where, because of opposition to the war, he was forced to exempt draftees and send only professional

¹⁰⁸ Jamie Shea, online lecture "History Class", "1967: De Gaulle pulls France out of NATO's integrated military structure", NATO website, https://www.nato.int/cps/en/natohq/opinions_139272.htm

¹⁰⁹ Garret, Martin (2011), "The 1967 withdrawal from NATO – a cornerstone of de Gaulle's grand strategy?", in: *Journal of Transatlantic Studies*, 9:3, p. 232-243, quoted: p. 237.

soldiers. This lesson was heeded by his successor Jacques Chirac who in 1995 dropped draft conscription and transformed the army to adapt it to the new wars, the first on the list being the war in the Balkans. The following years confirmed that the 1990s decade had marked a continuous move towards closer integration into NATO. The NATO-led war in the Balkans saw an extensive French contribution, with a massive use of precision-guided munition and a substantial number of support aircraft, flying approximately 21% of all reconnaissance missions and 12% of strike missions.

The process of rapprochement with NATO that began in the 1990s gathered pace in the 2000s. France was a top contributor to the NATO-led coalition in Afghanistan in 2001. A few months after the public opposition of Chirac to the Iraq war in 2003, a French general was commanding NATO forces in Kosovo. The reintegration into the alliance's integrated command structure (while remaining outside of the nuclear planning group) decided by President Sarkozy and approved by the National Assembly in March 2009 was thus a logical outcome of the evolution of France's position since the early 1990s. Neither had de Gaulle's decision marked hostility to NATO as such, nor did Sarkozy's decision modify the enduring position of France's efforts to remain autonomous within the 'Atlantic Alliance'. It was the new international setting that had changed and imposed the need for adaptation on French governments. Firstly, in Europe, new Eastern and Central European member states (2004) were siding with the United States on many security issues, including their strong support for the US invasion of Iraq in 2003. This reality had to be factored in by French policymakers if their country was to remain at the core of the EU decision-making process, in particular in terms of pushing the European defence agenda. Secondly, in an apparent paradox, if France wished to amplify its military operations abroad, and foremost in Africa, it had to appease its allies to some extent and rely on NATO's military capabilities. In 2011, while Sarkozy's decision to go to war in Libya confirmed his arrogance and his confidence in French military capabilities,¹¹⁰ the war he initiated served as a confirmation of said paradox: France's aspiration to maintain an active military role in the world through the projection of power was limited by a lack of critical military capabilities (air-to-air refuelling, ISR, drones) and required mobilising US military assets. According to some, the war in Libya entailed two lessons for the Atlantic Alliance, each of which is said to constitute a 'paradigm shift': its transformation into an agency assembling coalitions of the willing, and the 'Europeanisation of NATO', promoted by Mitterrand's erstwhile foreign minister, then Sarkozy's adviser, Hubert Vedrine. Indeed, both 'paradigms' are compatible and none of them would be unpleasant for France.¹¹¹

In recent years, according to a think tank close to the government, due to France's close attachment to its alliance with the United States within NATO and beyond, the convergence between France and the US has been both doctrinal – in the definition of threats – and technological, creating a tension between the absolute need for cooperation in defence innovation (otherwise the country would experience a serious strategic and technological downgrading) '[and] the prospect of weakening France's strategic autonomy by increasing its already considerable defence dependence on U.S. technologies and capabilities'.¹¹²

Since 2009, the appointment of a French general to the position of Supreme Allied Commander Transformation (SACT) – whose role is to identify and prioritise future capability and interoperability requirements – 'enables France to participate actively in the process of overhauling the Alliance's means for action'¹¹³ and provides further evidence of how much closer the relation between France and NATO has become.

¹¹⁰ See the comments by Thorsten Knuf in *Berliner Zeitung*, 'It seems Sarkozy wants to smash the Libyan dictator on his own [...] A few months ago, he would have been pleased to sell him nuclear reactors', cited in: *Le Monde*, 11 March 2011, "Sarkozy semble vouloir abattre Kadhafi tout seul". See also the devastating report on France's manoeuvre to circumvent allies' reluctance, Paul Taylor, "Special report: The West's unwanted war in Libya", *Reuters*, 1 April, 2011.

¹¹¹ Howorth, Jolyon (2014), "'Opération Harmattan' in Libya: a paradigm shift in French, European and transatlantic security arrangements?", in: *Journal of Transatlantic Studies*, vol. 12, no. 4, p. 405–417, quoted: p. 413.

¹¹² Matelly, Sylvie (2018), *Defense Innovation and the Future of Transatlantic Strategic Superiority: A French Perspective*, GMF Policy Paper.

¹¹³ White Paper 2013, p. 61.

Chapter 4: Towards an integrated Europe defence?

Introduction

While Chapter 3 underlined the role of France in EU defence developments, this chapter focuses on the state of play in EU defence and an assessment of where the EU stands from a political and institutional perspective. Section 1 briefly discusses why the EU can be characterised as a *hybrid configuration*. Section 2 depicts the EU as a core component of the transatlantic bloc, a geo-economic space with a powerful military component (NATO) that has dominated the world space for decades. Recent drivers for the EU's militarisation are analysed in section 3. As section 4 reveals, however, there is little reason to assume the formation of a united European defence policy or structure replicating the creation of the single currency, given that defence remains a prime example of the persistence of powerful nation states in the world space.

1) A hybrid configuration

This analysis would be misleading if it grouped the EU with other international organisations, as is often the case in mainstream literature, only differing from others (IMF, the World Bank, WTO, NATO, etc.) in its degree of 'functional integration'. Indeed, its institutional developments have turned the EU into an international organisation *sui generis* and produced a hybrid configuration resembling a peculiar kind of 'state form'.¹¹⁴

The creation of the EU was an outcome of a unique historical conjuncture combining mainly the need to overcome the protracted deadly imperialist Franco-German antagonism (three wars in 70 years) which culminated in barbarism ('never again'), to cope with the existential crisis of capitalism – caused by the collapse of a number of European state apparatuses (including the French) due to various revolutionary movements – and the will to contain the influence of the USSR on the European continent.

The six decades of development of the EU architecture were an outcome of a genuine mix of three drivers 'plus one'.¹¹⁵ Firstly, the growing internationalisation of capital contributed to pressures to develop a single market facilitating the circulation of goods and capital flows on the continent. Secondly, national governments – mainly French and German – played a crucial role in the decision-making process in the EU. Initial federalist attempts failed, in particular because of opposition (to a substantial degree coming from France) to the creation of a European political community, including the creation of a European army and a

¹¹⁴ Serfati, Claude (2004), *Impérialisme et militarisme. Actualité du vingt-et-unième siècle*, Lausanne: Page2, part 3 "Alterimpérialismes européens".

¹¹⁵ Serfati Claude, "EU Integration...", op.cit.

supranational authority. Thirdly, the self-growth of bureaucratic institutions (Commission, ECB, ECJ, etc.) was stimulated by the central missions assigned to them: to create a regulatory environment in which European firms compete on an equal footing, to protect their common interests whenever needed in their competition with non-EU (mainly American and Japanese) capital, and finally, to organise the 'race to the bottom' of the various social security systems through rule-based mediation between individual national systems.¹¹⁶

The 'plus one' driver is what is called 'democratic deficit' in the mainstream literature. Ever since its inception, the EU project was conceived as an elitist project by its architects, characterised by Jacques Delors, a prominent champion of European integration as 'a benign despotism'.¹¹⁷ Far from receding over the years, as expected by Delors, however, the EU is currently witnessing the strengthening of authoritarian trends.¹¹⁸

The combination of these four drivers explains why the EU, despite being a socio-economic and geopolitical space *sui generis*, represents a *hybrid configuration* which blends together self-reinforcing para-state institutions (such as the bureaucratic institutions mentioned above), inter-governmental bodies, themselves fragmented (with the European Council, but also the euro system gaining momentum)¹¹⁹ and to a much lesser extent, the European Parliament, the role of which remains secondary even after constitutional reform.¹²⁰ The defence and security policy epitomises this hybrid configuration. Although a common policy in this field is highly unlikely, the steps forward in the funding of a common defence and security policy and the development of common capabilities illustrate the underlying dynamics of EU militarisation. The military project established by the EU is aimed at facilitating the projection of EU strategic interests and power to the external periphery of European capitalism,¹²¹ in particular in Africa, and the project intersects with France's attempts to put a 'European stamp' on its military operations in Africa.

2) The EU in the transatlantic bloc of states

The transatlantic bloc of states (TBS) developed at the end of WWII for at least three reasons: the need to put an end to barbarism which resulted from long-standing inter-imperialist rivalries which had devastated not only Europe, but also large parts of the world, the status of the US, which were capable of forcing occidental countries to play by the rules it designed and enforced, and, finally, the huge challenge posed by the fact that an area in which more than a third of the world's population lived was outside the capitalist world market and the 'free world'. Because of those challenges to capitalism and strong conflicting positions within the Washington establishment the initial project proposed by the US State Department of de-industrialisation, 'pastoralisation' and partition of Germany, known as the Morgenthau Plan, once supported by US General Dwight D. Eisenhower, was rejected in favour of the Marshall plan. The latter opened the possibility for Germany to recover economically without a militaristic project,¹²² and, at the world level, to establish an 'international liberal order'.

The TBS is a geo-economic space based on economic, politico-cultural and military bonds. The US and the EU, dominant capitalist countries with their ruling classes linked by close historical links,¹²³ form the core of the TBS and maintain a leading economic position. Despite the rising importance of China, the majority of world financial and trade flows are

¹¹⁶ Bonefeld, W. (2002), "European integration: the market, the political and class", in: *Capital and Class*, no. 77, p. 117-141

¹¹⁷ Quoted in: Bogdanor, Vernon, "Futility of a House with no windows", *The Independent*, 26 July 1993.

¹¹⁸ Sandbeck, S. and Schneider, E. (2014). "From the sovereign debt crisis to authoritarian statism: Contradictions of the European state project", in: *New Political Economy*, 19(6), p. 847-871.

¹¹⁹ Christakis, Georgiou (2017), "Economic Governance in the EU after the Eurozone Crisis", 4 July, <https://www.transform-network.net/en/publications/issue/economic-governance-in-the-eu-after-the-eurozone-crisis/>

¹²⁰ Brack, Nathalie and Costa, Olivier (2018), "Introduction: the European Parliament at a crossroads", in: *The Journal of Legislative Studies*, 24:1, p. 1-10.

¹²¹ Oikonomou, 2011

¹²² Mosely, Philip E. (1950), "Dismemberment of Germany: The Allied Negotiations from Yalta to Potsdam", in: *Foreign Affairs*, vol. 28, no. 3, p. 487-498.

¹²³ Pijl, K. van der (1984), *The making of the Atlantic ruling class*, London: Verso.

between the US and the EU.¹²⁴ The TBS is also cemented by political links which ‘formed a community [based] on common interests, shared values and mutual vulnerability’¹²⁵ – a fact reflected in the Euroatlantic grip on major international organisations (IMF; World Bank, etc.). Last but not least, the TBS is based on military cooperation. NATO, the Atlantic Alliance between the US and most European countries and Turkey is the more ‘crystallised’ form of the transatlantic bloc, to which other alliances set up by the US (with Japan, with Australia and New Zealand called ANZUS, etc.) can be added.

A sign of the stability of the military links between the transatlantic partners – even after the collapse of the Soviet Union and the Warsaw Pact, against which NATO was originally founded – was the revision of NATO’s strategic concept in 1999, which extended the alliance’s area of operations geographically to include the so-called ‘out-of-area’ missions more or less everywhere in the world (Afghanistan, Iraq). At the economic level, new threats to ‘globalised’ trade were invoked, including the ‘interruption of the supply of vital resources’. Our TBS hypothesis differs from that of a ‘US empire’. Despite the US leading the ‘bloc’ thanks to its unmatched economic and military power, it does not act as an ‘empire’, a metaphor implying effective ultimate authority over other subordinated countries. Also, the TBS hypothesis is a refutation of an alleged coming of age of a ‘transnational state’ which would reflect the rule of a trans-capitalist class over the world.¹²⁶ The ‘state form’ is not ‘dissolving’ in ‘globalisation’, a process which was fashionably asserted by the ‘hyperglobalists’¹²⁷ in the 1980s and 1990s. UN membership increased for three decades¹²⁸, and despite dozens of these members being ‘failed states’ (US state department) or ‘fragile states’ (as they are called by a number of international organisations), their governments are indispensable transmitters of the rules imposed by leading powers on behalf of the ‘international community’.¹²⁹

Although the TBS is united on core issues, it still remains divided along national lines, evidence that inter-imperialist rivalries have not disappeared, even though there is little likelihood of them degenerating into armed conflict between the members of the ‘bloc’: ‘the Atlantic democracies still constitute a security community in the sense that war among them remains unthinkable’.¹³⁰ Trump’s policy has caused a dramatic increase in tensions between the two sides of the Atlantic Ocean, yet they must be put into context. Since the end of the 2000s, the tensions between the US and the EU have been frequent as a result of the conflation of deep geopolitical and economic changes compressed in the ‘2008 moment’. It was not only disagreement on the 2003 Iraq war expressed by Gerhard Schroeder and, subsequently, by Jacques Chirac. Economic disagreements were also simmering even under the Obama Administration, as illustrated by the failure of the Transatlantic Trade and Investment Partnership (TTIP) deal. TTIP was designed as an ambitious geo-economic project, with the objective that ‘America and Europe will set the rules for the global standard of free market enterprise’¹³¹ against emerging countries. Still, despite all the forces pushing towards transatlantic economic integration, the consequence of the ‘long recession’ that

¹²⁴ Hamilton, Daniel S., Quinlan, Joseph P. (2017/18), *The Transatlantic Economy 2018*, Washington, DC: Center for Transatlantic Relations.

¹²⁵ Ikenberry, John (2018), “The End of Liberal International Order?”, in: *International Affairs*, 94:1 (January): p. 7-23, quoted: p. 20.

¹²⁶ Robinson, William I. (2004), *A Theory of Global Capitalism: Production, Class, and State in a Transnational World*. Baltimore: Johns Hopkins University Press.

¹²⁷ as labelled by David Held and Anthony McGrew, David Goldblatt and Jonathan Perraton (1999), *Global Transformations: Politics, Economics and Culture*, Cambridge: Polity Press.

¹²⁸ From 45 members in 1945, their number rose to 154 in 1980, 159 in 1990, 189 in 2000 and 193 by 2018.

¹²⁹ The question was aptly raised by prominent theorist of liberal internationalism J. Ikenberry ten years ago: ‘What precisely is the “community of states” and who speaks for them? The problem of establishing legitimate international authority grows’, “Liberal Internationalism 3.0: America and the Dilemma of Liberal World Order”, *Perspectives on Politics*, 7.1 (March 2009): p. 71-87, quoted: p. 79.

¹³⁰ Kupchan, Charles A. , “The Geopolitics Of Transatlantic Relations: Discord And Repair”, in: *Politique étrangère*, 2009/1 Spring, p. 73 – 85, quoted: p. 15.

¹³¹ Grant, Dan (2013), “Transatlantic trade: Is China in or out?”, <http://thehill.com/blogs/congress-blog/foreign-policy/312613-transatlantic-trade-is-china-in-or-out>

began in 2008 has been an intensification of competition on world markets, prompting the US Administration's offensive against Germany and China.

3) Towards an integrated EU defence?

A long-established military power

In the mainstream literature and policymakers' discourses, the EU is often depicted as a soft power. This idea was conceived by US political scientist Robert Kagan when he argued that Europeans are from Venus, while the American are from Mars.¹³² In a less cited 2003 paper paying tribute to Blair's position on Iraq, Kagan made it clearer what he meant by the 'Venus Europe' when he referred to Robert Cooper's call for a 'new liberal imperialism'. The latter is defined as follows: 'Among ourselves, we operate on the basis of laws and open cooperative security [...] but when we are operating in the jungle, we must also use the laws of the jungle.'¹³³

After being appointed Blair's diplomatic adviser, Cooper assisted Javier Solana, at the time the High Representative for the Common Foreign and Security Policy in the implementation of European strategic, security and defence policy in 2003. The European Security Strategy adopted the same year was convergent in terms of values, objectives and threat assessments to Bush's National Security Strategy released a few months earlier, but stated the need for multilateralism and did not mention pre-emptive military actions, as the US document did (a language that was deleted from the 2010 US National Security Strategy, however).

From an ideological perspective, 'hybrid threat' has become a buzzword in Brussels parlance, after the term was introduced in the EU 2016 Global Strategy. It is even called a 'useful concept [...] as it embraces the interconnected nature of challenges (i.e. ethnic conflict, terrorism, migration, and weak institutions)'.¹³⁴ The EU rhetoric thus equated the 'threats' raised by terrorism and migration.¹³⁵ This provides an inestimable support to far-right parties (which have thrived on this amalgamation electorally), and implies that social issues such as migration ought to be addressed with repressive means.

Defining the EU as a soft power is only possible when ignoring that Joseph Nye, the designer of this concept, wrote that hard power includes not only military but also economic power. By this token, it can hardly be challenged that the EU exerts 'hard power' over a number of countries and regions in the world. EU economic power is particularly strong in regions where European countries once imposed their colonial rule, mainly African, Caribbean and Pacific (ACP) regions. Agreements negotiated with ACP countries are criticised for maintaining asymmetric relations long existing even before formal 19th-century colonisation. Likewise, European Neighbourhood Policy aims at integrating them into EU structures and pursues both military subordination (through NATO) and financial-economic dependency. For years, European Neighbourhood Policy launched in 2003 seems to have transformed the 'ring of friends' into a 'ring of fire', as noted by former Swedish prime minister Carl Bildt.¹³⁶

The 'hard core' of 'hard power' – that is military – is also present within the EU. In 2017, the EU as a whole accounted for 20% of global military spending and, according to SIPRI data, four of the 15 largest military spenders in the world are in Western Europe: France (rank 6), the UK (rank 7), Germany (rank 9) and Italy (rank 12). Between 2013 and 2017, the rise in military expenditures (in constant prices) was 5.1% for the EU (5% in Western Europe, 36% in Central Europe and 1.5% in Eastern Europe) (SIPRI data). Reaching a 2% military

¹³² Kagan Robert (2003), *Of paradise and power. America and Europe in the New World Order*, New York: Alfred A. Knopf.

¹³³ Cooper, Robert, "The new liberal imperialism", *The Guardian*, 7 April, 2002.

¹³⁴ European Parliament Briefing, "Countering hybrid threats: EU-NATO cooperation", March 2017, p. 2, [http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI\(2017\)599315](http://www.europarl.europa.eu/thinktank/en/document.html?reference=EPRS_BRI(2017)599315)

¹³⁵ See his Sorbonne speech (26 September 2017), "There are many challenges: from climate change to digital transition, migration **and** terrorism" (my emphasis, C.S.), <http://international.blogs.ouest-france.fr/archive/2017/09/29/macron-sorbonne-verbatim-europe-18583.html>

¹³⁶ Taylor, Paul, "EU 'ring of friends' turns into ring of fire", *Reuters*, 27 September 2015.

expenditures-to-GDP ratio, an objective that has been agreed by all member states, would increase military spending by NATO's European members by 26% compared to 2016.¹³⁷

It is essential to remember that the continent has been the home of long-standing dominant imperialist countries, namely France, Germany and the UK. Those countries are endowed with powerful defence industries, they rank at the top of weapon exporting nations, and most other EU member states are simultaneously members of NATO. France and the UK hold a dominant position in world geopolitical affairs as attested by their permanent seats at the UN Security Council (UNSC). Not only are they members of a select club of nuclear powers, but they also maintain a significant global presence through foreign military bases, enabling them to project power and conduct warfare worldwide. France's White Paper indeed emphasises the role of those bases for maintaining the country's status as a world power (see Chapter 1). It may be objected that while some member states are clearly military powers with global reach, the EU as such is not. It is precisely one aim of this essay to analyse the interactive process between the militarisation of major European countries, with France and the UK on the one hand, and growing militarisation of the EU as a whole on the other. The EU is not passively observing the actions of its member states. Pro-military trends are powerful at the EU level, too. Correspondingly, the EU Commission's president Juncker called for a 'Europe of defence' because 'the geopolitical situation makes this Europe's hour: the time for European sovereignty has come'.¹³⁸ It is clear that a 'Europe of defence' will have to rely on the most powerful member states' capabilities. The call was welcomed in a report commissioned by the European Parliament, which expressed the assessment that French and British foreign military installations 'would provide a formidable asset for the geographical and functional expansion of E.U. Grand Strategy'.¹³⁹

Over the past years, the 'militarisation of EU development policy'¹⁴⁰ has shed light on the real substance of Cooper's liberal imperialism. The security agenda, emerging in the EU agenda as a mix of military and civilian threats coupled with claims like 'development and security are linked', has led to the inclusion of military spending in Official Development Assistance (ODA). This quasi-Orwellian turn was made possible after the 2016 reform. Seeing as 'loans and credits for military purposes are excluded' from ODA by the OECD,¹⁴¹ expenses dedicated to 'development-related training of military personnel', the 'inclusion of donor military to deliver aid if a specific capability or asset requirement that cannot be met effectively and on time with available civilian assets has been identified', as well as expenses for 'providing effective support to security sector reform' are now recognised as ODA.¹⁴² The changes in the rules of accounting were strongly supported by major EU member states, including France, Germany and Italy. Finally, there is the regulation concerning the 'Instrument for Stability and Peace' (IcSP), a major instrument for external assistance (2.3 billion euros for 2014-2020), which was amended accordingly by the European Parliament in April 2017. According to one MP criticising these changes in the regulation of IcSP, this was only possible with 'a great manipulation of the law' and by circumventing Article 41 Section 2 which states that expenditures arising from operations having military or defence implications cannot be covered by the Union's budget.¹⁴³

Not surprisingly, France was particularly active in the promotion of this reform and lobbied for years for a share of its security and peacekeeping operations' expenditures in Sahel to be recognised as official development assistance. The rationale for this was articulated by a

¹³⁷ SIPRI (2017), "Current Military Spending Versus NATO 2 Per Cent", Stockholm, 24 April.

¹³⁸ State of the Union. The hour of European sovereignty, 2018.

¹³⁹ Rogers, James and Simón, Luis "The Status And Location Of The Military Installations Of The Member States Of The European Union And Their Potential Role For The European Security And Defence Policy (Esdp) Security And Defence", p. 21. http://www.europarl.europa.eu/thinktank/de/document.html?reference=EXPO-SEDE_NT%282009%29407004

¹⁴⁰ Hautala, Heidi, "Europe's legal U-turn on militarising development policy", *Euractiv*, 3 July 2017, <https://www.euractiv.com/section/development-policy/opinion/europes-legal-u-turn-on-militarising-development-policy/>

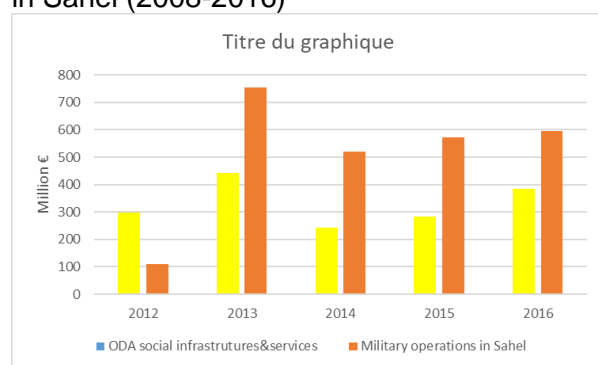
¹⁴¹ <https://data.oecd.org/oda/net-oda.htm>

¹⁴² OECD (2018), Converged Statistical Reporting Directives For The Creditor Reporting System (CrS) And The Annual DAC Questionnaire, Kapitel 1-6, 28 May, p.31.

¹⁴³ Hautala, Heidi, op. cit., <https://www.euractiv.com/section/development-policy/opinion/europes-legal-u-turn-on-militarising-development-policy/>

French Minister as follows: 'Who would be talking about development in these countries [Mali, Central African Republic] if France had not intervened?'¹⁴⁴ Since the early 2000s, there have been repeated demands by French governments that defence spending be excluded from the EU convergence criteria's deficit calculations. The reason seems pretty obvious, as illustrated by Figure 3. Since 2013, when the French military intervened in Mali, expenditures dedicated to military operations in the Sahel region rose steeply, and since that time their level has remained much higher than the Official Development Aid (ODA) dedicated to social purposes (social infrastructures, education, water supply and sanitation), in addition to the EU-supported G5 Sahel joint military force (Burkina Faso, Chad, Mali, Mauritania, Niger) .

Figure 3: France's Official Development Aid (ODA) dedicated to G5 Sahel social infrastructures, education, water supply and sanitation versus the cost of military operations in Sahel (2008-2016)



Source : Author, from the OECD's ODA database and French parliamentary reports.

The confusion between security and development, military spending and civilian objectives illustrates how the EU, under its 'development and aid policy', acts as an overarching framework for member states to pursue their specific national interests in countries where they have long exerted economic influence.¹⁴⁵ These facts should put an end to deceptive discourses depicting the EU as a 'soft power'. Indeed, as stated by Nye himself, '[m]arkets and economic power rest upon political frameworks, which in turn depend not only on norms, institutions, and relationships, but also on the management of coercive power'.¹⁴⁶

EU militarisation gathers speed

The long tradition of militarisation in European member states did not recede with the institutional developments of the European Union. For a number of years now, defence and security policy at the EU level have been gaining momentum. This section provides a brief overview of this trend. A turning point was the Treaty on European Union (TEU). From the 68 amendments it makes to its predecessors, 25 pertain to provisions on defence and security policy.¹⁴⁷ The treaty stipulates that the CFSP (Common Foreign and Security Policy) is a Union competence, adding, in traditionally cautious wording, 'including the progressive framing of a common defence policy' (TEU, Article 24). Also, the TEU includes a mutual assistance and solidarity clause and allows for the creation of the European External Action Service (EEAS) under the authority of the High Representative of the Union for Foreign

¹⁴⁴ Annick Girardin, the Secretary of State for Development and Francophonie, cited in Cécile Barbière, "France pushes for security spending to be recognised as development aid", *Euractiv*, 18 February 2015, <https://www.euractiv.com/section/development-policy/news/france-pushes-for-security-spending-to-be-recognised-as-development-aid/>

¹⁴⁵ Concord: AidWatch 2018, Security Aid, "Fostering development, or serving European donors' national interest?", <https://concordeurope.org/2018/02/15/security-aid-aidwatch-paper/>, Chapter 2 "EU donors signalling new era of aid as a tool serving foreign and security objectives".

¹⁴⁶ Nye, Joseph S., "Has Economic Power Replaced Military Might?", 6 June 2011, Belfer Center for Science and International Affairs, <https://www.belfercenter.org/publication/has-economic-power-replaced-military-might>

¹⁴⁷ Menon Anand (2011), "European Defence Policy from Lisbon to Libya", *Survival*, vol. 53, no. 3, June–July 2011, p. 75–90, quoted: p. 75.

Affairs and Security Policy. The creation of EEAS is interpreted by some as a major innovation. Presented as the lead coordinator at the EU level, the EEAS has its headquarters in Brussels and a network of 140 EU delegations worldwide. Its total staff in delegations was 5,693 in 2017.¹⁴⁸ By comparison, in 2017 the total staff at the Commission was just over 32,000.

Furthermore, the Global Strategy for a Foreign and Security Policy for the European Union (June 2016) set the objective of an ‘an appropriate level of ambition and strategic autonomy’ (p.9) seen by some experts as proof that the EU is no longer satisfied with being a ‘soft power’ but aims to become a ‘complete power’.¹⁴⁹

In November 2016 the Council launched an implementation plan on Common Security and Defence Policy (CSDP) and reiterated the argument that ‘an integrated European defence technological and industrial Base (EDTIB), sustainable, innovative and competitive would also contribute to jobs, growth and innovation’. A few months later, the Commission proposed the establishment of a European Defence Fund. The Fund will cover two distinct ‘windows’, in Brussels parlance, a research and a capability window. The former will be fully funded by the EU budget with an estimated volume of around 500 million euros per year after 2020. The capability window will have a budget of 500 million euros until 2020 and more than one billion euros per year after 2020, with member states adding two billion euros per year until 2020 and 4 billion euros per year thereafter. It is the first time that the Commission funds a defence programme, and a further sign of its leverage in defence issues. Also, the amount of committed funds is significant, in line with Juncker’s claim that ‘If we want to – without militarising the European Union – increase defence spending by a factor of 20, we will need to decide quickly’.¹⁵⁰

Another significant initiative was the coordinated annual review on defence (CARD), following the November 2016 Council Recommendation concerning the ‘gradual synchronisation and mutual adaptation of national defence planning cycles and capability development practices’. Basically, the objective is to identify member states’ capability objectives, encourage convergence and propose multilateral projects. The European Defence Agency (EDA), as mandated by Article 45 of the EU Treaty, will work as the secretariat of CARD.

Finally, an EU defence cooperation mechanism specified in the Treaty of Lisbon was confirmed by the Council in December 2017. A declaration of a Permanent Structured Cooperation (PESCO) was agreed by 25 member states and identified 17 collaborative PESCO projects in the areas of capability development and in the operational dimension. Still, the objectives and functioning of PESCO reveal the long-standing divergence on defence issues between France and Germany, each supported by a number of member states (see below).

This brief overview sheds some light on the acceleration of the militarisation of the EU in recent years. Given the EU’s *hybrid configuration*, the process involves complex bargaining between the Council and the Commission. As was illustrated, French governments have supported the Commission’s initiatives on defence, and other major member states have also acted in support of the Commission’s proposals whenever they regarded them as favourable to their national interests. All member states nevertheless place great emphasis on the need to prevent the Commission from gaining too much power in defence, a reason why the Lisbon Treaty served to bolster the position of the member states vis-à-vis the Commission by making explicit reference to the Council’s exclusive authority over the EDA. This intergovernmental logic presents itself as a rivalry between the EDA and the Commission.¹⁵¹ Another potential issue lies between the EEAS’s activities mentioned above and intergovernmental views. In principle, the Lisbon Treaty endows the High Representative

¹⁴⁸ 2017 Annual Activity Report European External Action Service.

¹⁴⁹ Tardy, Thierry, “The return of European Defence?” in: Jean-Dominique Giuliani, Arnaud Danjean, Françoise Grossetête, Thierry Tardy, “Defence: Europe’s Awakening”, *European issues* no. 474, *Fondation Robert Schumann*, 22 May 2018.

¹⁵⁰ 2018 State of the Union, p.10.

¹⁵¹ Fiott, Daniel, “The European Commission and the European Defence Agency: A Case of Rivalry?”, *JCMS* 2015, vol. 53, 3, p. 542–557, quoted: p. 550.

of the Union for Foreign Affairs and Security Policy, Vice-President of the Commission (HR/VP), with the right to propose a politico-strategic approach suitable for balancing both EU-centred and intergovernmental views and the EEAS. The complexity of the institutional architecture leads some experts to conclude that ‘there is still a certain rivalry between the EEAS and the EC, as well as problems in terms of coordination, despite the HR/VP also being the Vice-President of the EC itself’.¹⁵² This inter-bureaucratic rivalry could result from the difficulty of balancing inter-governmental and Community powers and from the tendency of any state bureaucracy to seek an expansion of its powers. Nevertheless, despite their ‘rivalry’, all those EU bodies have been designed, in a distinct but often complementary way, to push the defence agenda forward at the EU level. They have cooperated and are proactive in the implementation of EU defence programmes. All of them are supported by member states, but also by the European military-industrial complex.¹⁵³ No momentum would have been given to European defence over the last years in absence of defence-dedicated EU institutions. Member states created those institutions – including the Commission’s right to get involved in defence issues. In short, the so-called ‘rivalry’ acts as a driver of a cumulative process of militarisation of the EU,

A favourable geo-economic environment

The enduring efforts pursued by French governments to intensify EU militarisation (see Chapter 3) have been updated since 2017, namely in Emmanuel Macron’s call for a ‘common strategic culture’ in his widely received Sorbonne speech.¹⁵⁴ The corresponding proposals come at a time favourable for their implementation given the dramatic transformations of the international environment since the end of the 2000s. There are three drivers leading to the evolution of the EU defence agenda. Firstly, Russia’s claim to a major geopolitical role, reflected in the tensions at the eastern borders of the EU between Ukraine and Russia, is of direct concern for a number of member states, including the Baltic and Eastern and Central European states. Those countries have massively increased their military spending in recent years and asked NATO to increase its military presence on the Eastern flank of Europe especially in the form of deploying an enhanced Forward Presence in the Baltic States. They encourage the deepening of NATO–EU cooperation.¹⁵⁵

Secondly, Trump’s geo-economic agenda targets Germany as well as China. Quite relevant for the purpose of this essay, the US president does not limit his criticism to industrial issues, but in fact has strongly criticised Angela Merkel for not being supportive enough of military interventions and Germany’s unwillingness to raise its defence budget in order to meet the 2%-of-GDP NATO target. Moreover, Trump opposed the German government’s attitude in contrast to ‘The French [who] did not hesitate for a moment in supporting the US, and Macron was superb’, because he supported the US in Syria.¹⁵⁶ German rhetoric on the need for the EU to gain more autonomy in defence was in direct reaction to Trump’s offensive. Influential former finance minister Wolfgang Schäuble said he can ‘understand that [Trump-] critical position’,¹⁵⁷ and Angela Merkel established that ‘we have to look at the vision of one day creating a real, truly European army’.¹⁵⁸

¹⁵² Alessandro, Marrone and Ungaro, “Actors in the European Defence Policy Area: Roles and Developments”, Report by the Istituto Affari internazionali (IAI) and the Centro Studi sul Federalismo (CSF), November 2014, p. 7.

¹⁵³ Oikonomou, Iraklis (2018), “The EDA-European Commission Connection in EU Military R&D: Not Seeing the Forest for the Trees”, in: Karampekios, Nikolaos, Oikonomou, Iraklis, Carayannis, Elias G. (ed.), *The Emergence of EU Defense Research Policy. From Innovation to Militarization*, Basel: Springer.

¹⁵⁴ <http://international.blogs.ouest-france.fr/archive/2017/09/29/macron-sorbonne-verbatim-europe-18583.html>, 26 September 2017

¹⁵⁵ V4 Defence Ministers, Joint Statement at the Brussels NATO Summit, 13 July 2018, <http://www.visegradgroup.eu/v4-defence-ministers>.

¹⁵⁶ Delfs, A. and Jacobs, J. (2018), “Merkel’s Struggle to Gain Trump’s Ear Leaves Berlin Sidelined”, *Bloomberg*, 16 April .

¹⁵⁷ *Express*, 13 July 2018, <https://www.express.co.uk/news/politics/988072/nato-summit-2018-donald-trump-latest-news-nato-countries-defence-merkel-germany>

¹⁵⁸ Rankin Jennifer, “Merkel joins Macron in calling for a ‘real, true European army’”, *The Guardian*, Tue 13 Nov 2018.

Thirdly, the disastrous effects of the '2008 moment' account for the intensification of military-humanitarian operations at the EU's periphery.¹⁵⁹ EU and NATO operations to address migration as an 'hybrid threat' have multiplied military operations in the Mediterranean Sea and the Sahel region for years, moreover ending the European Frontex programme. Operation *Sophia* – the EU's anti-migrant smuggling operation in the Mediterranean Sea – was the first operation that explicitly brought together internal and external security.¹⁶⁰ It is bound to become a lucrative business,¹⁶¹ with a Commission proposal to increase the Asylum Agency budget of 321 million euros for the period 2019-2020 to 1.25 billion euros for the period 2021-2027.¹⁶²

3) Limits to European defence integration

In 2018, the EU HR/VP Federica Mogherini claimed, 'What we have built is even more ambitious than a European army [...] we want a European defence based on a European industrial system, on European technologies, on a European defence market. We want our member states to invest together, decide together and act together. And now we finally have the tools to build it together'.¹⁶³ Jean-Claude Juncker, the head of the Commission, called for further efforts leading towards a 'fully-fledged European Defence Union' by 2025. And they are joined in their emphasis on defence integration by some analysts who speak of 'strategic convergence'.¹⁶⁴ This rhetoric implies that the progress accomplished in recent months is hoped to pave the way for further integration of European defence.

To say the least, the discourse on European defence is loaded with confusion, maybe mixed with wishful thinking, about what is currently happening. Coalitions of governments to defend their common interest are anything but new, and there is no reason why they could not be carried out within the EU's institutional framework. This is quite different from a European integrated defence, however. According to some, this scenario, also referred to as European Defence Union, with the key elements being a 'semi-federalised defence union, joint procurement, limited "Eurodeterrent", less cooperation with the UK post-Brexit', would rely on a German-French 'grand bargain'.¹⁶⁵ Currently, it is a long way off.

Diverging visions on defence

A number of obstacles appear on the way to EU defence integration, understood as the completion of a process leading to a 'whole' at the EU level – of which national industries, policies, and capabilities would become components, indeed corresponding to Mogherini's vision mentioned above. That would mean, among other things, the surrender of national sovereignty in favour of EU sovereignty. Again, EU defence is not short of narratives charged with strong ambiguity, if not contradiction. Macron calls for 'genuine EU sovereignty' and 'a true EU army' – only to be immediately spun by his adviser to imply 'more closely coordinated defence rather than a truly supra-national military spanning the continent'.¹⁶⁶ And

¹⁵⁹ Here, President Macron's ominous statement can be cited: 'What makes me optimistic is that European history becomes tragic again [...] This old continent of *petits-bourgeois* who feel comfortable and protected in their welfare is going through unchartered territories where tragedy will occur' ('Ce qui me rend optimiste, c'est que l'histoire que nous vivons en Europe redevient tragique. [...] Ce vieux continent de petits-bourgeois se sentant à l'abri dans le confort matériel entre dans une nouvelle aventure où le tragique s'invite'), *Le Monde*, 27 April 2018.

¹⁶⁰ Tardy, Thierry, "Operation Sophia: Tackling the refugee crisis with military means", EUISS, September 2015, p. 2.

¹⁶¹ Akkerman, Mark (2018), "Expanding the Fortress: The policies, profiteers and people shaped by E.U.'s border externalisation programme", *Transnational Institute and Stop Wapenhandel*, Amsterdam, May.

¹⁶² European Commission, "Press Release: State of the Union 2018 – Commission proposes last elements needed for compromise on migration and border reform", Strasbourg, 12 September 2018.

¹⁶³ Mogherini, Federica, "European defence cooperation is not about creating an EU Army – which is why it is so much more", https://eeas.europa.eu/headquarters/headquarters-homepage/39754/european-defence-cooperation-not-about-creating-eu-army-which-why-it-so-much-more_en, 12 February 2018.

¹⁶⁴ Koenig N., "France and Germany: spearheading a European security and defence union?", Berlin: *Jacques Delors Institute*, 19 July 2017.

¹⁶⁵ Fägersten, Björn and Danielson, August (2018), "Order, integration and the development of European security and defence. Key uncertainties and future scenarios", Swedish Institute of International Affairs.

¹⁶⁶ <https://www.euractiv.com/section/defence-and-security/news/macron-calls-for-european-army-to-defend-against-russia-us-china/>, 7 November 2018.

he speaks of European sovereignty while, in the *revue stratégique* of 2017, the need for France to maintain its sovereign control over its own nuclear and conventional capabilities appears 17 times. Likewise, while Juncker hinted at an EU army, his European Commission spokesman commented: 'I don't think this defence identity will start with an EU army.'¹⁶⁷ Likewise, Angela Merkel seconds Macron's proposal, but stresses that 'this European army in a distant future would not be an army against NATO, but a complement to it'.¹⁶⁸ All those ambiguities are 'synthetized', so to speak, in the concept of 'EU strategic autonomy', which would include political, operational and industrial components. While 'strategic autonomy' has become a buzzword in Europe over the last years, what an expert said for France could apply to other European countries: 'what the concept gains in the frequency of its use it loses in clarity'.¹⁶⁹ Likewise, neither definition nor missions of an EU army have been agreed on.

Rather than investigating the double, triple and more interpretations of EU defence issues in different member states' capitals, it is more productive to analyse the real obstacles to advances in EU defence integration. Firstly, no member state gives the same centrality to the role of defence in their international positioning as France, and several do not even share the same appetite for militarization (e.g. Nordic countries) altogether – which is all the more true after Brexit. Admittedly, a growing number of EU governments are strengthening their domestic security policies, mainly against foreigners and immigrants' children and grandchildren, erecting entry barriers for refugees, but these repressive measures do not entail the support for more military interventions abroad. Secondly, when member states contribute to foreign military missions or when they strongly increase their military budgets (say, like Poland), they mainly do it within the NATO framework. A number of them suspect France to call for a Europeanisation of defence merely in order to advance its own national interests in Africa. This was translated by a German official as follows when asked to state his perception of French defence: 'Ist da ein Problem? Wir haben eine militärische Lösung' (*'Is there a problem? We have a military solution.'*).¹⁷⁰ Thirdly, for many countries, strategic priorities are on their Eastern front, while Africa remains a key region for geopolitical and economic interests. Fourthly, there is some concern among small and medium-range member states about being marginalised by the largest EU powers, France and Germany, under the 'EU defence' framework.¹⁷¹ Fifthly, nuclear weapons issues foreshadow endless debates in Europe.

As it is not the purpose of this report to provide a detailed analysis of all member states' attitudes towards EU defence issues, the rest of the section focuses on a comparison between France and Germany in defence-related issues.

France and Germany

As stated in Chapter 1, a country's international status depends on its economic and military strength, but the respective weight of these two attributes can differ even among countries occupying a close position in the world space. Since the end of WWII, the two countries provide a glaring evidence on how two countries can exert major influence in world affairs with two very different combinations of economy and military. Table 5 lists the strong differences in the two countries' international position, with columns 1-5 (economic indicators) showing a strong superiority for Germany and the mediocre ranking of France, while columns 6-8 (military indicators) reveal that France forges ahead of Germany by a large margin.

¹⁶⁷ *ibid.*

¹⁶⁸ Handelsblatt, 14 November 2018, <https://global.handelsblatt.com/politics/merkel-backs-macron-call-european-army-lame-duck-speech-european-parliament-981054>

¹⁶⁹ Maruo, Frédéric, "Strategic autonomy under the spotlight: The New Holy Grail of European Defence", Brussels: GRIP Report, 2018/1.

¹⁷⁰ Mehler, Andreas and Soest, Christian von, "Die deutsche Afrikapolitik: Welche Gemeinsamkeiten mit Frankreich?", *Notes du Cerfa*, IFRI, 2012, p.18.

¹⁷¹ Lösing, Sabine; Wagner, Jürgen (2013), *Global Power Europe: the hidden imperial Agenda behind the European Council*, IMI Study, 19-20 December.

Table 5: Economic and military indicators, France and Germany

	GDP (billion €, 2017) (1)	Changes in share of world exports (2009-2016 Evolution, %) (2)	Trade surplus world ranking (2016) (3)	Manufacturing production (EU ranking), 2017 (4)	Business R&D (World ranking), 2016 (5)	Military spending/GDP (%), 2017 (6)	Military spending per capita (€ 2017) (7)	Military spending, World ranking (2017) (8)
Germany	3,477	3.9	2	1	3	1.2	576	9
France	2,465	-5.3	195	4	6	2.3	760	5

Source: Author, from WDI, WTO, Eurostat, R&D Business Industrial Scoreboard, SIPRI.

The leading and growing influence of Germany on the European economy and the benefits of EU integration have further bolstered its dominant role in this regard, while France's world-level military capabilities render it the European engine for further advances in military and security. Partnerships between France and Germany have been based on trade-offs and rested on their respective bargaining power and, obviously, on the choices of other member states. The good reception in Berlin of proposals made by Macron in his Sorbonne speech (2017) resulted from the acceptance by the French president of a more far-reaching control over French macroeconomic policy by Brussels in return for greater German involvement in defence issues. But beyond that, there was no German approval regarding other proposals put forward by Macron. Wolfgang Streeck summed up the current balance of power within the 'couple' by observing that 'Merkel, in typical fashion, had publicly welcomed his calls for a swift completion of the "banking union" along with a separate budget, a "finance minister," and a parliament for the Eurozone, while working internally to redefine it to suit German needs and interests.'¹⁷²

In defence issues, difficulties in the convergence between France and Germany with regard to their respective views should not be underestimated. Table 6 presents an overview of respective French and German positions in these matters. Based on a very different historical background, France and Germany are at odds on military operations and the use of force abroad, as well as the priorities in the geopolitical agenda (Mediterranean vs Eastern Europe). They also differ with view to the influence of the military (both army and industry) in their respective international agenda. Furthermore, there are differences in institutional mechanisms of control on defence issues (budgets, weapon programmes, arms exports, control on the use of force abroad, etc.). Finally, as lamented by some in France, the resistance of the public opinion to military interventions abroad continues to hamper German governments in playing a more active role in the general geopolitical process.

Table 6: France-Germany comparison on defence-related issues

Issues	France	Germany
Place of defence in politics	Decision-making process: concentrated in the hands of the head of state (including war), limited role of parliament left-right political consensus	Decision-making process: parliamentary control ('approval right') left-right political consensus
Place of defence in the	Strong role in innovation and	Modest role of defence

¹⁷² Streeck, Wolfgang (2018), "Europe under Merkel IV: Balance of Impotence", in: *American Affairs*, Summer, vol. II, no. 2, p. 178.

national economy	productive system, arms exports: critical for the industry	industry in innovation and productive system, arms exports: restrictive policy
Defence ('strategic') culture	Sophisticated expertise, offensive (power projection through expeditionary army), initiative alone Geopolitical priority: Africa, Middle East	Limited expertise, peacekeeping and crises management, multilateral framework Geopolitical priority: Eastern Europe
Military capacity	Nuclear, production of sophisticated weapon systems, armies equipped with modern equipment	Production of sophisticated weapon systems, armies equipped with obsolete equipment
EU defence	'Coalition of the willing'	Inclusive
NATO	Europe's autonomous operating capabilities, <i>in complement to</i> NATO Military expenditures/GDP: 2%	NATO strategic priority (Framework Nation) Europe's autonomous operating capabilities <i>within</i> NATO Military expenditures/GDP: ca. 1.2%
Domestic security	Continuity with defence abroad ('militarisation' of domestic security)	Distinct issues
Nuclear	Cornerstone of French defence sovereignty	NATO as nuclear protection

A recent illustration of how far apart the French and German agendas on defence still are is Macron's decision to create a European Intervention Initiative (E2I) (July 2018), only a few months after the Council's (December 2017) decision to take 'the historic step' of adopting a resolution establishing 'Permanent Structured Cooperation (PESCO)' as codified in the Lisbon Treaty ten years earlier.¹⁷³ This clearly reflects French discontent with the framework adopted for PESCO. While France wanted an 'ambitious' project, meaning operational structures including power projection and limited to countries with strong capabilities or/and willing to increase them, in short, a common strategic culture, Germany imposed an 'inclusive' PESCO, and watered down the French proposal that could implicate the country in France's military operations in Africa. As observed, 'the EII is the opposite of PESCO'.¹⁷⁴ Nevertheless, as a sign of tortuous intergovernmental bargaining, E2I's Letter of Intent is still signed by 9 countries, including Germany.

Conclusion

This essay has documented the militarisation of the EU in recent years. It results from the combination of the dramatic effects the '2008 moment' has had on the continent and the role of EU actors. The latter are quite diverse, with France – as well as some Community institutions – forging ahead: the Commission through a significant increase in funding of defence projects, but also other institutions like EDA, EEAS, and, finally, the EU defence and

¹⁷³ Commission website.

¹⁷⁴ Major, Claudia and Mölling, Christian, "France Moves From EU Defense to European Defense", *Carnegie Europe*, 7 December 2017, <http://carnegieeurope.eu/strategieurope/74944>

security industry. Think tanks committed to defence-related issues and funded by the EU and/or member states strive to build a common language and frame the issues at stake.

That this constellation of actors has succeeded in pushing the defence agenda over several years is a reminder of the hybrid configuration of the EU. There is still no reason to expect a process of defence integration as was the case with the creation of a single currency, despite both defence and money constituting the two pillars of 'regalian' prerogatives. Instead of elaborating these differences, suffice it to say that the creation of the euro not only reflected a Franco-German compromise in the context of dramatic geopolitical changes, including German reunification and the break-up of Yugoslavia (summer and fall 1991), and subsequently the temporary collapse of the European monetary system. It also corresponded to a converging position of national economic elites, including large financial and industrial groups. They were fully aware that the institutional design of the single currency would not only facilitate structural reforms, including tax systems, pension systems and labour markets, but also that those reforms would serve economic stability in Europe (based on the Stability and Growth Pact's convergence criteria).

By contrast, the domain of defence, despite also constituting a 'regalian' prerogative, profoundly differs from the monetary domain. Along with police, it constitutes the ultimate form of a political territorial power, the central task of which is to protect and enforce the reproduction of social relations. As mentioned above, social relations are territorially bounded and politically organised, hence core institutions of state apparatuses such as defence and police cannot be disposed of without risking the social cohesion of the community. That means that member states' boundaries are delimited by specific socio-political relations that cannot be overcome as easily as barriers to trade and capital flows.

Evidence of this is provided by the cautious wording used in the Treaty on European Union, the objective of which is 'to define and implement a common foreign and security policy, including the progressive framing of a common defence policy' (Article 42.2). And even such an imprecise prospect still constitutes the most favourable of the three scenarios envisaged in a recent Commission reflection paper.¹⁷⁵

What can indeed be expected over the next years is that the militarisation of the EU will gain momentum, resulting not from a 'grand strategy' elaborated at the EU level, but through 'muddling through', involving bargaining between the different relevant actors in this field. Brexit will add a layer to the complexity of issues, but it is likely that the underlying forces pushing the UK to cooperate with European countries – obviously as key NATO member – in order to maintain its global role in defence and security matters will remain vocal.

Needless to say, there is nothing irreversible in this scenario. For that reason, defence and security issues should be included in the broader agenda of those aspiring to make another Europe possible and who are confident that a range of social forces have the potential to push in that direction.

¹⁷⁵ European Commission (2017), Reflection paper on the future of European defence, Brussels, 7 June.