



France: Factors Shaping Foreign Policy, and Issues in U.S.-French Relations

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Summary

The factors that shape French foreign policy have changed since the end of the Cold War. The perspectives of France and the United States have diverged in some cases. More core interests remain similar. Both countries' governments have embraced the opportunity to build stability in Europe through an expanded European Union and NATO. Each has recognized that terrorism and the proliferation of weapons of mass destruction are the most important threats to their security today.

Several factors shape French foreign policy. France has a self-identity that calls for efforts to spread French values and views, many rooted in democracy and human rights. France prefers to engage international issues in a multilateral framework, above all through the European Union. European efforts to form an EU security policy potentially independent of NATO emerged in this context. However, more recently, policymakers in France, Europe and the United States have come to view a stronger European defense arm as a complement to rather than a substitute for NATO.

From the September 11, 2001, attacks on the United States through the Iraq war of 2003 until today, France has pressed the United States to confront emerging crises within a multilateral framework. France normally wishes to "legitimize" actions ranging from economic sanctions to military action in the United Nations.

The election of Nicolas Sarkozy to the French presidency in May 2007 appears to have contributed to improved U.S.-French relations. Sarkozy has taken a more practical approach to issues in U.S.-French relations than his predecessor, Jacques Chirac. Perhaps most notably, in April 2009, Sarkozy announced France's full reintegration into NATO's military command structure, more than 40 years after former President Charles de Gaulle withdrew his country from the integrated command structure and ordered U.S. military personnel to leave the country.

Trade and investment ties between the United States and France are extensive, and provide each government a large stake in the vitality and openness of their respective economies. Through trade in goods and services, and, most importantly, through foreign direct investment, the economies of France and the United States have become increasingly integrated.

Other areas of complementarity include the fight against terrorism, the Middle East Peace process, peace operations in the Balkans, and the stabilization of Afghanistan and Lebanon—all challenges where France has played a central role. A major split occurred over Iraq, however, with many countries either supporting or independently sharing French ideas of greater international involvement.

Developments in the Middle East affect French foreign and domestic policy. France has a long history of involvement in the region, and a population of 5-6 million Muslims. Paris believes that resolution of the Arab-Israeli conflict is key to bringing peace to the region. Surges in violence in the Middle East have led to anti-Semitic acts in France, mostly undertaken by young Muslims.

This report will be updated as needed. See also its companion report, CRS Report RL32459, *U.S.-French Commercial Ties*, by Raymond J. Ahearn [Note: this report was written at the request of the co-chairs of the Congressional French Caucus.]

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Introduction

The end of the Cold War altered the U.S.-French relationship. Before the collapse of the Soviet Union, the United States, France, and their NATO allies viewed the USSR as the principal threat to security. France was known for its independent streak in policy-making, both with its European counterparts and the United States, notably under President de Gaulle in the 1960s. Nonetheless, there was cohesion throughout the alliance at such moments as the Berlin crisis of 1961, the Cuban missile crisis the following year, and the debate over basing “Euromissiles” in the 1980s.

Several factors shape French foreign policy that may be of interest during the 111th Congress. After several years during which Jacques Chirac contested elements of Bush Administration policy, French President Nicolas Sarkozy has sought to improve bilateral relations. Sarkozy has pursued what he considers a more practical policy than his Gaullist predecessors, such as Chirac and President de Gaulle himself, who anchored elements of their nationalism by defining France as a country that selectively stood against U.S. influence in the world. By contrast, Sarkozy has expressed an acceptance of, and even admiration for, U.S. global leadership. He lauds American culture, has vacationed in the United States, and contends that European security must have a U.S. component.

Nonetheless, differences between the United States and France in the approach to foreign policy are likely to persist. France has a self-identity that calls for efforts to spread French values and views, many rooted in democracy and human rights. France prefers to engage most international issues in a multilateral framework, above all through the European Union (EU). France is also a highly secular society, a characteristic that influences views on the state’s relation to religion.

Since the conclusion of the Cold War, the perspectives of France and the United States have diverged in some cases. Most core interests remain similar. Both countries’ governments have embraced the opportunity to build stability in Europe through an expanded EU and NATO. Each has accepted the need to ensure that Russia remain constructively engaged in European affairs. Each has also recognized that terrorism and the proliferation of weapons of mass destruction are the most important threats today.

Post-Cold War developments have brought new challenges, which have affected the U.S.-French bilateral relationship. German unification and the entry of central European states into the EU and NATO may have shifted the continent’s balance of political and economic power away from the French-German “engine” and towards central and eastern Europe. While French-German initiatives remain of great importance in Europe, German perspectives are increasingly eastward; and, in some eyes, central European states feel closer strategically and politically to the United States than they do to France. Nonetheless, France remains a key player in European affairs and few initiatives can succeed without its support and participation.

The United States, a global superpower since the Second World War, has remained deeply involved in European affairs. In the view of some Europeans, however, by the mid-1990s, Washington appeared to be slowly disengaging from Europe, while wanting at the same time to maintain leadership on the continent.¹ French and German, and some would say British, efforts to

¹ Anand Menon, *France, NATO and the Limits of Independence, 1981-1997: The Politics of Ambivalence* (New York, St. Martin’s Press, 2000), p. 69-71.

form an EU security policy potentially independent of NATO and the United States emerged and evolved in this period. The Europeans based this policy in part on the belief that the United States had growing priorities beyond Europe, and in part because Americans and Europeans were choosing different means to protect their interests. The U.S. decision to go into Afghanistan in October 2001 with initially minimal allied assistance was one example of this trend; the U.S. war against Iraq, with overt opposition from France and several other allies, was another.

During the George W. Bush Administration, France, with other European allies, pressed the United States to confront emerging crises within a multilateral framework. Terrorism and proliferation are threats that cross borders, and often involve non-state actors. France, where possible, normally attempts to engage elements of the international community in responding to such threats, and to “legitimize” actions ranging from economic sanctions to political censure to military action at the United Nations. Past French Presidents have promoted a view of a “multipolar” world, with the EU and other institutions representing poles that encourage economic development, political stability, and policies at times at odds with the United States. While Jacques Chirac was president, Bush Administration officials reacted with hostility to such efforts, charging that “multipolar” is a euphemism for organizing opposition to U.S. initiatives. The election of President Obama was welcomed in France, and strong popular support for Obama suggests that many in France expect the Obama Administration to distance itself from the perceived unilateralism of the Bush Administration.

In the recent past, some U.S. observers characterized France as an antagonist. In 2004, the previous French ambassador reportedly charged that some U.S. officials deliberately spread “lies and disinformation” about French policies in order to undercut Paris.² Occasional mutual antagonism was already evident during the first years of the Fifth Republic (1958-present), when President de Gaulle sometimes offered singular views on international affairs, often at odds with Washington and other allies, and in 1966 withdrew France from the military structures of NATO. In the 1960s, France began to develop its own nuclear deterrent force. As alluded to earlier, Sarkozy has made a concerted effort to draw France closer to the United States and distance himself and the country from past disputes with the United States. Most notably, in April 2009, Sarkozy announced France’s full reintegration into NATO’s military command structure as part of a broader realignment and modernization of French security and defense policy.

French assertiveness is generally seen in a different light in Europe. Other Europeans often credit French initiatives in the EU and in other institutions as fresh in perspective, or moving a discussion into a new realm; Paris played a major role, for example, in the conception and implementation of the EU’s Economic Monetary Union (EMU). That said, some in Europe, most notably Germany’s Chancellor Angela Merkel, have reportedly been frustrated by what they consider Sarkozy’s tendency to pursue EU-wide initiatives without first consulting other European leaders.

Traditional French assertiveness accounts in some ways for France punching above its weight on the international scene. France is a country of medium size with relatively modest resources. Yet it has played a persistent role, for example, in establishing EMU, building a European Security and Defense Policy (ESDP), and in orchestrating opposition to the U.S.-led Iraq war. While U.S.-French relations have at times been contentious, there is also a complementarity and an

² “U.S. French ‘Marriage’ Edgy but Still There...,” *Rocky Mountain News*, (interview with Ambassador Jean-David Levitte), April 15, 2004, p. 41A.

intertwining of U.S. and French interests and actions. Nowhere is this more clear than in the realm of commercial interactions.

Trade and investment ties between the countries are extensive, providing each side a big stake in the vitality and openness of their respective economies. Through trade in goods and services, and, most importantly, through foreign direct investment, the economies of France and the United States have become increasingly integrated. Over \$1 billion in commercial transactions take place *every business day* of the year between the two sides. This huge amount of business activity, in turn, is responsible for creating several million American and French jobs.³

Other areas of complementarity include the fight against terrorism, the Middle East Peace process, peace operations in the Balkans, and the stabilization of Afghanistan and Lebanon—all challenges where France has played a central role. A major split occurred over Iraq, however, with many countries either supporting or independently sharing French ideas of greater international involvement.

This report examines the key factors that shape French foreign policy. From that context, it analyzes some of the reasons for the tensions in and the accomplishments of U.S.-French relations. The report is illustrative, rather than exhaustive. Instead, the report reviews issues selected because they exemplify some of the essential features of the U.S.-French relationship. Some issues, such as the effort by the United States and the EU-3 (France, Britain, and Germany) to curb Iran's military nuclear program are analyzed more extensively elsewhere by CRS.⁴

Factors Shaping French Policy

A Global Perspective

France, like the United States, believes that it has a special role in the world. The core perceptions of France's role in the world stem from the Revolution that began in 1789. The Revolution was an event of broad popular involvement: widespread bloodshed, expropriation of property, and execution of the king fed the notion that there could be no turning back to monarchical government. Not only was the monarchy overthrown and a powerful church structure forcibly dismantled, but French armies, and ultimately French administrators in their wake, transformed much of the continent into societies where more representative, democratic institutions and the rule of law could ultimately take root. The Revolution was therefore a central, formative element in modern European history, notably in Europe's evolution from monarchical to democratic institutions. The cultural achievements of France before and since the Revolution have added to French influence. French became the language of the elite in many European countries. By 1900, French political figures of the left and the right shared the opinion that France was and must continue to be a civilizing beacon for the rest of the world.⁵

³ For more information see CRS Report RL32459, *U.S.-French Commercial Ties*, by Raymond J. Ahearn

⁴ See, for example, CRS Report RL32048, *Iran: U.S. Concerns and Policy Responses*, by Kenneth Katzman

⁵ In a vast literature, see John Weightman, "Fatal Attraction," *New York Review of Books*, February 11, 1993, p. 10; and François Furet, *La Révolution de Turgot à Jules Ferry, 1770-1880* (Paris, 1988), p. 511-512, 516-517.

The view that France has a “civilizing mission” (*la mission civilisatrice*) in the world endures today. For many years, the French government has emphasized the message of human rights and democracy, particularly in the developing world and in central Europe and Eurasia.

Many French officials, particularly Gaullists,⁶ have been highly assertive in seeking to spread French values throughout the world. Dominique de Villepin, the last prime minister under Jacques Chirac, wrote that “at the heart of our national identity, there is a permanent search for values that might be shared by others.” Gaullists have sought to embed French views in EU initiatives, sometimes in concert with Germany and sometimes alone. In the 1990s, one cabinet official called for an “inner circle” in the EU, defined as “a small number of states around France and Germany” that must move forward to secure EMU, a common foreign and security policy, and a military force able to protect the Union’s interests. President Sarkozy also believes that France must play a leading role in shaping EU initiatives. France’s rank and influence in the world are important to French policymakers. Membership on the U.N. Security Council, close relations with parts of the Arab world and former worldwide colonies, aspects of power such as nuclear weapons, and evocation of human rights are central to France’s self-identity in international affairs.⁷

Others sometimes contest France’s evocation of values. By the mid-20th century, some French colonies, such as Algeria and Morocco, sharply disputed whether actual French policy met the ideals of Paris’s message. Algeria fought an eight-year war for independence—a brutal guerilla war of terrorism, counterinsurgency, and torture which left tens of thousands of French and hundreds of thousands of Algerians dead. Today, some Europeans praise the intellectual underpinnings of French “reason and good sense” that combat “prejudice and fanaticism.” However, they see occasional contradictions in French policy, as when France sought to lift sanctions against Iraq when U.N. WMD inspections temporarily ended there in 1998, then only belatedly accepted a new inspections regime in 2002, even though French officials had privately been stating their belief that Iraqi WMD programs were likely continuing, or when France balks at what some view as more democratic power-sharing in the expanding European Union.⁸

The European Union

France was one of the founding members of the European Union (initially known as the European Coal and Steel Community, and then the European Community) in the 1950s. Improved trade and economic development were central objectives in a Europe still struggling from the dislocation caused by the Second World War, but overarching objectives from the beginning were political rapprochement between Germany and its former enemies, and political stability on the continent. The EU was conceived in this context, with strong U.S. support.

⁶ The term “Gaullist” originated during Charles de Gaulle’s presidency (1958-1969). President Chirac was a founder of the Gaullist Party, once known as the Rally for the Republic. Gaullists have traditionally believed in a strong national voice and an independent foreign policy for France, and that France must play a central role in shaping Europe and in influencing world affairs. Gaullists are also normally fiscal conservatives who have supported a statist position in the economy.

⁷ De Villepin cited by Daniel Vernet, “Dominique de Villepin ou le gaullisme ressuscité,” *Le Monde*, December 11, 2003. Thierry Tardy, “France and the United States: The Inevitable clash?,” *International Journal*, vol. LIX, no. 1, Winter 2003-2004.

⁸ Christoph Bertram, in “La diplomatie Villepin jugée par les intellectuels,” *Le Monde*, December 4, 2003, p. 16; interviews.

France has been a catalyst in achieving greater political unity and economic strength in the European Union. Jacques Chirac, the French president from 1995-May 2007, altered the traditional Gaullist view that France could act alone as a global power and be the Union's most important member. Rather, today, the Gaullists believe that France can best exert its power through the EU, acting in tandem with Germany and occasionally with Britain.

At the same time, the defeat of a referendum in spring 2005 endorsing an EU "constitution" meant to make EU decision-making more effective may be a sign of popular doubts about the direction and strength of the Union. The defeat of the "constitution" at least temporarily diminished France's leadership role in the Union.

Some European governments object to the view that France, Germany, and Britain can guide EU policies. They describe the claim for leadership of the three countries as a nascent "*Directoire*," or initiative to dominate the EU and push smaller member states to follow the three governments' lead. French officials dispute the idea of a "*Directoire*." In their view, initiatives in the Union should not be held back by governments that wish to proceed more slowly. Chirac described the efforts of France and Germany, and occasionally Britain, as those of a "pioneer group" that wishes "to go faster and further in European integration." Some French officials say that France "does not wish to be resigned to a Europe which would only be a space of internal peace." Rather, in their view the EU should become a force for positive, broad-reaching change in Europe and the world.⁹

French officials cite a range of examples where a "pioneer group" of EU countries has taken the lead in forging forward-looking policies. France, Germany, and other countries led the way in implementing the Schengen agreement (open borders for people) and EMU. In 2003 and 2004, France, Germany, and Britain played the key role in persuading Iran to accept International Atomic Energy Agency (IAEA) inspections of its nuclear energy sites for possible evidence of nuclear weapons production. French officials state that they want the EU to have a strong Commission and a strong President of the Commission, although the Council, where ministers from member states meet, must remain paramount in decision making. France has supported initiatives to streamline voting in the EU, and to place more areas of decision making under "qualified majority voting (QMV)," to avoid a rule under which one government among the 27 member states may veto a decision.

France was broadly praised for its handling of the EU's rotating six-month presidency during the second half of 2008. The French presidency was distinguished by President Sarkozy's energetic and high-profile response to three unforeseen and challenging international crises: the June 2008 rejection by Irish voters of the Lisbon Treaty; the August 2008 conflict between Georgia and Russia; and the ongoing global financial crisis. Observers agree these events provided an opportunity for Sarkozy to boost his and the EU's international profile, but may have hindered his efforts to implement long hoped for internal European reforms.

French officials had hoped that ratification of the Lisbon reform treaty would provide impetus for its proposals to improve EU coordination in the fields of energy and climate change, immigration, and security and defense policy. The Treaty—which was conceived as a successor to the defeated "constitution"—would, among other things, create more streamlined decision-making structures

⁹ "Le Premier choix de Paris reste la relation avec Berlin," *Le Monde*, February 18, 2004, p. 2; "Après le fiasco de Bruxelles, Paris relance l'idée d'une Europe à la carte," *Le Monde*, December 16, 2003, p. 10.

and strengthen European foreign and security policy. The Treaty's future remains in doubt since it was rejected by Irish voters in June 2008. France did gain backing for the first stages of an EU immigration and asylum policy that would recruit high-skilled migrants, crack down on illegal immigration, strengthen border control, and harmonize national asylum policies. Modest gains were also made in France's efforts to advance a nascent security and defense policy (ESDP). France had hoped to launch a renewed "European Security Strategy" under which members would pledge to train their forces more assiduously and spend more on defense. However, challenges to enhancing collective capabilities through the pooling of national resources remain considerable.

President Sarkozy has also sought to advance a more vigorous EU policy toward the Mediterranean region. French officials acknowledge that the EU's "Barcelona Process," inaugurated in 1995 to enhance political and economic ties between the EU and Mediterranean littoral countries, has faltered. They hope that a new Union for the Mediterranean, launched in Paris in July 2008, will build on the admittedly modest gains of the Barcelona Process by: upgrading the political profile of the Barcelona Process through more frequent summits and more precise work-plans; increasing co-ownership of the initiative through a co-presidency and joint secretariat; and supporting more concrete and visible projects in partner states.¹⁰ Despite the renewed impetus, however, most observers expect fundamental challenges to endure. Among other things, Israel's participation and lingering doubts about European motives are expected to reinforce skepticism in some Arab states. Sarkozy opposes Turkey's candidacy for EU membership, but has said that the door is open to eventual membership by Balkan countries, including Serbia.¹¹

Multilateralism

Multilateralism is important to all U.S. allies and in particular to all 27 members of the European Union, which is itself a multilateral entity painstakingly put together over a fifty-year period. For Europeans, decision-making in international institutions can lend legitimacy to governmental policies. Member states of the EU share certain areas of sovereignty and pursue joint policies intended to provide political and economic stability, goals that the United States has supported since the 1950s. Globally, Europeans perceive the U.N. as the locus for decision-making that can provide an international imprimatur for member states' actions in international security. The U.N. carries special significance for European countries that experienced two world wars. Europeans see the EU and the U.N. as belonging to a civilizing evolution towards cooperation rather than confrontation in world affairs.

France is in a key position in the framework of multilateral institutions. It enjoys a permanent seat and holds a veto in the U.N. Security Council. Important EU policies are not possible without French support. French officials play central roles on the European Commission, in the European Central Bank, and the IMF, and are eligible to lead, and have led, each of these institutions.

France wishes to confront the greatest threats to its security through international institutions. French officials identify terrorism as the country's most important threat. France has considerable

¹⁰ See "Barcelona Process: Union for the Mediterranean," European Commission COM(2008) 319, May 5, 2008. Available at http://ec.europa.eu/external_relations/euromed/index_en.htm.

¹¹ "Le discours de politique étrangère de M. Sarkozy," *Le Monde*, September 1, 2007; and "La Méditerranée," (editorial), *Le Monde*, April 14, 2007, p. 22.

experience in combating terrorism and today is generally regarded as highly effective in that domain. At the same time, France believes that an anti-terror foreign policy must include a comprehensive multilateral effort to diminish the prevalence of poverty in the developing world and to encourage the spread of literacy, democracy, and human rights. While military action may also be a tool against terrorism for Paris, French leaders prefer to begin any effort to confront an international threat in a multilateral framework.

Sarkozy subscribes to this tradition that emphasizes multilateralism. Shortly after his victory in the presidential elections on May 6, 2007, he expressed his admiration for the United States, but added that the United States should reverse course and lead the effort to combat global climate change. Sarkozy has endorsed the Kyoto Treaty and the findings of scientists who believe that the global climate is becoming warmer. As discussed in more detail below, Sarkozy has also reaffirmed France's commitment to NATO by bringing the country back into the alliance's integrated military command structure.

The Use of Force and the United Nations

For the French government, the conflict in Iraq in 2003 raised questions about the legitimate use of force. France, together with several other European governments, was critical of the Bush Administration's national security doctrine that endorsed "preemptive action" in the face of imminent danger. Sarkozy has said that the U.S. invasion of Iraq in 2003 was a significant mistake that has contributed to the destabilization of the Middle East.

Although the French government does not reject the use of force, it maintains that certain criteria must be met for military action to acquire legitimacy. In the words of de Villepin, fear of terrorism and other threats make "the use of force ... tempting. [Use of force] is justifiable if collective security or a humanitarian crisis requires it. But it should only be a last recourse, when all other solutions are exhausted and the international community, through the Security Council, decides upon the question." In a speech to the U.N. General Assembly in clear reference to the U.S. invasion of Iraq, Chirac said, "In today's world, no one can act alone in the name of all and no one can accept the anarchy of a society without rules. There is no alternative to the United Nations.... Multilateralism is essential.... It is the [U.N. Security Council] that must set the bounds for the use of force. No one can appropriate the right to use it unilaterally and preventively."¹²

For the most part, France's record over the past decade has been consistent in following the precept that the U.N. must endorse the use of force in a crisis. For example, France, along with other countries, since 1990 has obtained a U.N. resolution for the potential or actual use of force for interventions in the first Gulf War, Bosnia, Afghanistan, Congo, the Ivory Coast, and Haiti. One notable exception came in 1999, when France joined its NATO allies in going to war against Serbia in an effort to prevent ethnic cleansing in Kosovo. In that case, until the eleventh hour, the French government sought a U.N. resolution for NATO's use of force. At the same time, in the face of an increasingly likely Russian veto, French officials and counterparts from several other

¹² De Villepin, "Discours d'ouverture," Meeting of French ambassadors, Ministry of Foreign Affairs, Paris, August 28, 2003; and Jacques Chirac, Speech before the U.N. General Assembly, excerpted in *Le Monde*, September 24, 2003, p. 2.

European allies began indicating that Serbian actions had reached a stage where using force to prevent a humanitarian catastrophe in Kosovo would be justifiable without a U.N. resolution.¹³

President Sarkozy has strongly supported the effort by the “EU-3” (France, Britain, and Germany) and the United States to curb or end Iran’s illegal enrichment of uranium because it could lead to the development of Iranian nuclear weapons. Should the U.N. fail to agree upon further sanctions against Iran, Sarkozy has said that he supports U.S. and French sanctions and development of EU sanctions against Iran in the absence of a U.N. resolution.

Religion and the State: “Le Foulard”

France has a long history of religious violence. Political factions went to war in the 16th century over religious differences and dynastic claims; the conflict left many thousands dead and the society badly divided. One cause of the Revolution was a desire by many to end the Catholic Church’s grip on elements of society and dismantle a church hierarchy widely viewed as corrupt and poorly educated.

In the late 19th and early 20th centuries, the government sought to ensure that public schools did not become embroiled in religious controversies. Parliament passed a law in 1905 intended to ensure separation between religion and politics. The law enshrined *laïcité* as a principle of French life. *Laïcité* is not simply secularism, but rather an attempt to balance religious freedom and public order. The government protects freedom of religion, and there is no state church in France; at the same time, there is an effort to ensure that religious groups do not engage in political activism that would be disruptive of public life.¹⁴

One controversy in France has pitted elements of the Muslim community against the government. Approximately 36% of France’s Muslim community describe themselves as “practicing.”¹⁵ Within this group are Muslims who seek to ensure that their children may pursue what they view as traditional Islamic practices in France’s public school system. Some French Muslim families require their girls to wear head scarves (“le foulard”) to school. French public schools are co-educational. Some Muslim families object to elements of co-education; for example, they do not want their female children to take physical education, nor do they want them to take biology classes where reproduction is discussed. Some families also do not want male doctors to treat their female children at public hospitals. The French government believes that such families are causing disruption in the public school system, especially in a period of increased tensions between Muslims and Jews in France, and a period of political tensions with the Muslim world over the issue of terrorism.

After an extended debate, the government presented a bill to Parliament to ban “conspicuous” religious symbols in schools through secondary-school level. The law prohibits the wearing of head scarves; it also bans religious symbols such as large crosses and the yarmulke. In the parliamentary debate over the bill, then Prime Minister Raffarin said that the purpose of the

¹³ Interviews and discussions with U.S. and French officials, February-March 1999.

¹⁴ For a discussion, see Justin Vaïsse, “Veiled Meaning: The French Law Banning Religious Symbols in Public Schools,” Brookings Institution, March 2004. For the French government’s view, see “Laïcité in France: Promoting Religious Freedom and Tolerance,” supplied by the French embassy, March 2004.

¹⁵ Justin Vaïsse, “Veiled Meaning: The French Law Banning Religious Symbols in Public Schools,” Brookings Institution, March 2004, p. 3.

legislation is “to set limits” in the face of growing religious militancy. Some religious signs “take on a political sense and cannot be considered a religious sign,” he said. “I say emphatically, religion must not be a political subject.”¹⁶ Some Muslim governments, such as that of Iran, sharply condemned the bill. Moderate Muslim groups in France supported it as a means to reduce tensions in the school system and in broader society.¹⁷ The bill passed by a wide margin in March 2004, with government parties and elements of the left supporting it.

Some observers in France criticized the bill because they viewed it as essentially a negative instrument. In this view, the government should do more to integrate Muslims into French society. The debate evokes a familiar theme in recent French history. At the turn of the 20th century, for example, many opposed the large migration into France of Italians and Spaniards, ethnic groups viewed as coming from societies where political violence was rife. Yet these groups have become well assimilated into French society, their members commonly occupying senior positions in politics and the professions. In contrast, many observers in France believe that large elements of the Muslim population have not been assimilated. One observer, a member of the government-appointed commission to study the issue of head scarves in schools, opposed the law. In his view, France should seek a balance that embraces diversity yet preserves a degree of uniformity that sustains the French “identity.” He believes that the law unfairly stigmatizes the Muslim population.¹⁸

Sporadic riots since late 2005 have troubled the suburbs surrounding Paris, Lyon, Toulouse, Lille, and other cities. For the most part, these are working class suburbs populated by North Africans; unemployment levels are high, and educational levels are low. In many ways, these suburbs are a society apart, their inhabitants cut off from most of the opportunities afforded French youth who are not Muslim. The rioting has largely taken the form of violence against property. The government declared a state of emergency and responded with curfews and with police, who cut off the neighborhoods from the nearby cities.¹⁹

Sarkozy has a difficult relationship with the Muslim community. As Interior Minister, he referred to the rioters in 2005 as “scum” who should be “washed away by a power hose.” There was some violence in French cities the night of his election to the presidency, although not all of the disturbances were by Muslim youth. Some of those burning cars and destroying other property were young people from beyond the Muslim community apparently protesting his proposals to tighten labor laws. Sarkozy is also the first leading French official to propose “affirmative action” programs, such as job placement for youth, for Muslims.

Anti-Semitism in France

Between 2000 and 2004, there was a significant increase in anti-Semitic acts of violence in France. Incidents dropped dramatically in 2005 and have since wavered up and down. Most of the acts have occurred in the suburbs around Paris, and in southern cities such as Marseille and

¹⁶ Cited in “French Premier Urges Approval of Scarf Ban,” *International Herald Tribune*, February 4, 2004, p. 3.

¹⁷ Justin Vaïsse, “Veiled Meaning: The French Law Banning Religious Symbols in Public Schools,” Brookings Institution, March 2004, p. 5.

¹⁸ Jean Baubérot, “Laïcité, le grand écart,” (editorial), *Le Monde*, January 4-5, 2004, p. 1.

¹⁹ CRS Report RL33166, *Muslims in Europe: Integration in Selected Countries*, coordinated by Paul Gallis; see also Jonathan Laurence and Justin Vaïsse, *Integrating Islam: Political and Religious Challenges in Contemporary France* (Washington, DC, 2006).

Montpellier. Molotov cocktails have been thrown at several synagogues and schools, rabbis have been assaulted, and, most notably, a Jewish phone salesman, Ilan Halimi, was brutally beaten and murdered in 2006.

France's Jewish population is the largest in Europe, estimated at 575,000 people, with some 300,000 to 350,000 living in the Paris metropolitan area and 80,000 in Marseille (France has a total population of 64 million).²⁰ According to a 2002 study by a French Jewish community organization, most French Jews today are white collar professionals, and are well integrated into French society. "Mixed" marriages with non-Jews have become increasingly common in the past two decades, but a strong community sense remains. In a 2002 poll, 42% of the Jewish population said that they keep kosher, while 29% said that they are non-observant. Since the increase in 2000 in anti-Semitic incidents, 6%, mostly young Jews in their teens and twenties, responded that they have thought about moving to Israel (the figure was 3% in a 1988 poll); at the same time 58% said that they had not thought of moving to Israel (an increase from 40% in 1988.)²¹

In France, there is broad agreement that most anti-Semitic acts have been committed by young North African Muslims. However, there is also concern that non-Muslims are increasingly engaged in anti-Semitic violence. Over the past decade, there has been a close correlation between surges in violence in the Middle East and increases in anti-Semitic acts in France. The Gulf War of 1991, the Palestinian Intifada since fall 2000, Israeli military action on the West Bank and in Gaza in spring 2002, and the Israeli war against Hezbollah in Lebanon in 2006 have all been followed by increases in anti-Semitic violence in France.²² Most recently, a surge in anti-Semitic incidents in early 2009 was thought to be linked to the Israeli offensive into Gaza.

The history of Jews in France is replete with important political milestones and a strong measure of controversy. In 1791, during the Revolution, France was the first European country to extend citizenship to its Jewish population. There have been three Jewish prime ministers (Léon Blum in 1936-1937, Pierre Mendès-France in 1954-1955, and Laurent Fabius in 1984-1986). Blum was asked by General de Gaulle to head a post-war provisional government in 1946 (he declined due to ill health). French Jews hold senior positions in government, business, and academics.

Some American commentators have responded to the acts of anti-Semitic violence in France by charging that the country as a whole is anti-Semitic. They see a continuity among the Dreyfus trials of the 1890s, in which a French Jewish military officer was wrongly convicted of espionage due to anti-Semitic sentiments in the government and the army, the Vichy regime of 1942-1944, which collaborated with the Nazis and sent French Jews to their deaths in concentration camps, and the anti-Semitic violence that increased after 2000. They describe the strong showing of Jean-Marie Le Pen (17.85%), in the past convicted of anti-Semitic crimes by French courts, in the 2002 presidential elections as evidence that the French population retains strong anti-Semitic sentiments.²³ Israeli officials have charged that the French government's Middle East policies create an atmosphere where anti-Semitism can grow. One right-wing extremist Jewish group

²⁰ The Stephen Roth Institute for the Study of Antisemitism and Racism, *France 2007*, <http://www.tau.ac.il/Anti-Semitism/asw2007/france.html>.

²¹ "Qui sont les juifs de France?", *Le Figaro*, November 18, 2002.

²² "Les Juifs et les Arabes en France," *Le Nouvel Observateur*, January 24-30, 2002, p. 5; "Wave of Anti-Semitism Called Threat to France," *International Herald Tribune*, October 20, 2004, p. 3.

²³ See, for example, Charles Krauthammer, "Europe and 'Those People': Anti-Semitism Rises Again," *Washington Post*, April 26, 2002, p. A29. Most analysts believe that Le Pen's strong showing was due to his attacks on immigrants and crime, and not to his anti-Semitic views.

(*Hérout*) contends that the French government is “pro-Arab” and anti-Semitic. Some prominent French Jews intimate that the French government’s criticism of Israel is a cloak for anti-Semitism.²⁴

Other views contest the assertion that France is an anti-Semitic country. Charles Haddad, the president of Marseille’s Jewish Council, has said that “This is not anti-Semitic violence; it’s the Middle East conflict that’s playing out here.” Most politically moderate Jewish groups, led by the Representative Council of French Jewish Organizations (CRIF), have stated that they do not regard the French population as anti-Semitic. They have also commended the French government for passing a strong law (the Lellouche Law) in December 2002 that cracks down on anti-Semitic violence and other racist crimes. Chirac and other members of his government vigorously condemned anti-Semitism, and held a number of public events criticizing such acts. David Harris, the executive director of the American Jewish Committee, has commended the French government for its efforts.²⁵ Sarkozy, while raised a Catholic, has Jewish ancestry on his father’s side. He has also strongly condemned acts of anti-Semitism, and is a strong supporter of Israel.

Issues in U.S.-French Relations

European Security and Defense Policy (ESDP)

France has been at the forefront of efforts to build an EU security structure that could potentially act independently of NATO. In the 1990s, the EU began to implement a Common Foreign and Security Policy (CFSP) to express common goals and interests on selected issues and to strengthen its influence in world affairs. Since 1999, with France playing a key role, the EU has attempted to develop a defense identity outside NATO to provide military muscle to CFSP. The European Security and Defense Policy (ESDP) is the project that gives shape to this effort. Under ESDP, the EU has committed to creating what would ultimately become a rapid reaction force of 60,000 troops and to developing institutional links to NATO to prevent duplication of resources.²⁶ ESDP’s development has been increasingly driven by an emphasis on boosting civilian crisis management and police training capacity. Since January 2003, the EU has launched a total of over 20 civilian crisis management, police, and military peacekeeping operations in areas ranging from the Balkans, to the Congo and the coast of Somalia.

France and Germany, with some support from Britain, have sought to enhance EU decision-making bodies and a planning staff for EU military forces under ESDP. The United States initially opposed elements of this effort, particularly the proposal for a planning staff, as duplicative of NATO structures and a waste of resources. On December 12, 2003, NATO and the EU reached a compromise. There will be two planning staffs, with officers from EU states forming an EU

²⁴ “Les Juifs et les Arabes en France,” *Le Nouvel Observateur*, January 24-30, 2002, p. 5; “Les Juifs de France et la France, une confiance à rétablir,” editorial by several members of French Jewish community, *Le Monde*, December 30, 2003, p. 1.

²⁵ For Haddad, see “Attacks on Jews Leave Marseille Wondering about a Rupture,” *New York Times*, April 8, 2002, p. 2; “Les clés d’une débâcle,” *Libération*, April 24, 2002, p. 1; “Jacques Chirac remobilise le gouvernement contre l’antisémitisme,” *Le Monde*, November 18, 2003; and [letter from David Harris], “Anti-Semitism in France,” *International Herald Tribune*, January 7, 2003, p. 7.

²⁶ For a more detailed analysis, see CRS Report RL32342, *NATO and the European Union*, by Kristin Archick and Paul Gallis, “France in an Evolving NATO,” *Defence nationale et sécurité collective*, November 2006, p. 14.

planning cell at NATO's Supreme Headquarters Allied Command Europe (SHAPE) in Mons, Belgium, and NATO officers will be attached to a new, separate EU planning cell. The EU-NATO agreement reaffirmed elements of an existing arrangement (called "Berlin Plus"), under which the EU will consider undertaking operations only if NATO as a whole has decided not to be engaged. If NATO is engaged, then the EU will not seek to duplicate NATO's operational planning capabilities.²⁷ The arrangement is intended to meet the U.S. concern that there not be two existing, and potentially competing, plans for an operation.

EU defense ministers, under a plan offered by France, Britain, and Germany, agreed in April 2004 to create up to 13 "battle groups" of 1,500 troops each to act as "insertion forces" in the beginning stages of a crisis. Under this plan, the forces would also be available to NATO. If brought to fruition, the battle groups would be in action within 15 days of a decision to use them, and could sustain themselves for four months before a larger force replaces them.²⁸

ESDP remains a work in progress. The EU includes several self-described "neutral" governments that do not have a strong interest in European defense structures. In addition, a number of governments, including several central European governments that joined the EU in May 2004, remain look first to the United States in defense matters and view NATO as central to their strategic interests; for the foreseeable future, these governments are unlikely to follow any effort by an EU member to distance EU defense from NATO and Washington.²⁹

At the same time, U.S. officials appear increasingly optimistic that these developments mean that ESDP will not undercut NATO. Some also believe that Sarkozy is more pragmatic on European security issues than Chirac.³⁰ Proposals by Sarkozy and Kouchner for an "autonomous military capacity" within the European Union were endorsed by U.S. officials. Kouchner believes that such a capacity is necessary for Europe to prevent conflicts, resolve crises, and undertake reconstruction projects, such as in Kosovo.³¹

President Sarkozy has strongly urged other EU members to increase their defense spending and build greater combat capability to undertake missions outside Europe. France's defense spending for 2008 will again be greater than 2% of GNP, a level that exceeds an unofficial NATO standard, and will be "around 2%" for the duration of President Sarkozy's first term, ending in 2012.³²

NATO

At NATO's 60th anniversary summit in April 2009, France announced its full reintegration into NATO's integrated military command structure.³³ France is currently the fourth largest contributor of troops to alliance operations and a significant financial contributor to NATO.

²⁷ Interviews, November 2003-December 2005; Statement of (then) NATO Secretary General Robertson, cited in *Atlantic News*, December 17, 2003.

²⁸ Interviews, December 2003-December 2005; "Battle Group Plan Advances," *International Herald Tribune*, April 6, 2004, p. 3.

²⁹ Interviews, 2003-2005.

³⁰ Interview with Administration officials, March-May 2007.

³¹ Kouchner, *op. cit.*

³² "L'effort de défense devrait se maintenir 'autour de 2%' du PIB," *Le Monde*, March 22, 2008, p. 9.

³³ This section draws on CRS Report R40454, *NATO's 60th Anniversary Summit*, coordinated by Paul Belkin.

However, it has had only very limited participation in the alliance's military decision-making structures since then-President de Gaulle withdrew the country from NATO's integrated command structure in 1966.³⁴ Despite domestic opposition from critics who fear that the move could limit French military independence, the French parliament approved Sarkozy's decision by a vote of 329-238 on March 17, 2009. U.S. officials have welcomed French reintegration as an important step toward improving alliance cohesion and strengthening the European role within NATO.³⁵ There appears to be a consensus that U.S.-French military relations are excellent, despite much publicized past differences between Washington and Paris on political issues.

Several factors in the 1990s contributed to renewed French doubts about NATO. Some French officials did not want the United States exercising strong leadership in the alliance when Washington appeared to be giving Europe diminished priority after the Cold War. U.S. positions on involvement in the Balkan conflicts of the early 1990s led some French and other European officials to question the alliance's efficacy, given that Europeans saw the Balkan wars as a major threat to security.³⁶ The United States eventually engaged its forces in the Balkans in several NATO operations, including in the Kosovo conflict in 1999. Some French officials believe that the Bush Administration distanced the United States from NATO in its efforts to create "coalitions of the willing," a practice that in their view undermines the principle of collective defense and allied unity, as well as the rationale behind enlarging the alliance to bring in a broad spectrum of new governments.³⁷

French officials recognize that military self-sufficiency in an era of global threats is not possible, and that EU defense efforts may eventually have a regional but not world-wide reach. Put simply, France and the EU lack the military resources to resolve major crises on their own. For these reasons, France in the last several years has become more engaged in NATO operations. For many years, French governments had opposed proposals for NATO "out-of-area" operations, meaning military operations outside the Treaty area in Europe, as well as operations beyond Europe. The crises in the former Yugoslavia in the 1990s, requiring a large military capacity to bring stability, and post-September 11 operations in Afghanistan, requiring a military force able to sustain combat operations in a distant theater, altered French thinking. Former President Chirac, reflecting on these developments, said, "You have to be realistic in a changing world. We have updated our vision, which once held that NATO had geographic limits. The idea of a regional NATO no longer exists, as the alliance's involvement in Afghanistan demonstrates."³⁸

French officials hope that full reintegration into NATO will give France a level of influence in determining the strategic direction and planning decisions of the alliance that is proportional to its

³⁴ France joined NATO as an original member in 1949. During the early years of the Fifth Republic, President de Gaulle had a number of disputes with the United States, in part over policies, in part over the small number of Europeans in senior allied command positions. President de Gaulle withdrew France from NATO's integrated command structure in 1966 and ordered U.S. military personnel to leave the country. However, France remained in NATO's political wing and maintained a seat on the North Atlantic Council (NAC), the alliance's political decision-making body. Since the mid-1990s France has participated more actively in NATO operations, and Paris has sent an observer to the alliance's Military Committee, where key military planning and operational decisions are made.

³⁵ See Vice President Biden's remarks at the 2009 Munich Security Conference, op. cit.

³⁶ For a thought-provoking discussion, see Anand Menon, *France, NATO and the Limits of Independence, 1981-1997: The Politics of Ambivalence* (New York, St. Martin's Press, 2000).

³⁷ Interviews with French officials, 2006-2007.

³⁸ Jim Hoagland, "Chirac's Multipolar World," *Washington Post*, February 4, 2004, p.A22 (editorial based on an interview with Chirac).

participation in alliance operations. Practically speaking, French four-star generals are expected to fill two NATO command posts—Allied Command Transformation (ACT) in Norfolk, Virginia and the Allied Joint Command regional headquarters in Lisbon, Portugal—and approximately 800 French officers will reportedly be integrated into command structures at NATO headquarters.³⁹

What role France will play in determining the strategic direction of the alliance remains to be seen. However, some observers draw attention to France's past opposition to U.S. and UK calls for a more "global NATO" defined by enhanced partnerships with countries outside the core NATO area such as Australia and Japan. French officials have also argued that NATO should consult more closely with Russia before considering further enlargement and have indicated that NATO should concentrate on its core mission of defense and leave political and reconstruction activities to other international institutions (such as the EU and U.N.).⁴⁰ Other observers point to Sarkozy's willingness to break with tradition to argue that past policy positions could be of little consequence in France's future approach to the alliance.

Sarkozy has sought alliance and U.S. support for a strong European Security and Defense Policy (ESDP). France has argued that a robust and independent European defense capacity could reinforce and enhance NATO. After some reservation (outlined above), U.S. officials have welcomed French calls to develop Europe's security and defense capacity, which they view as a complement to, not a substitute for, NATO. As one U.S. supporter of French reintegration notes, "Every step taken by France to improve the cohesiveness and efficiency of NATO will sooner or later benefit European defense as well—in terms of capabilities, interoperability and operational performance."⁴¹

Some analysts believe France and Britain are the only two European allies with flexible, mobile forces that can sustain themselves long distances from their territories. In the 1990s, France began a multi-year effort to downsize and professionalize its military forces. Smaller, more flexible units were created. President Sarkozy has sought to build on these efforts by implementing a series of further reforms laid out in a 2007 "White Paper" on defense and national security. U.S. military officials say that French forces have improved substantially in the past decade, and have a highly educated and motivated officer corps. Former NATO Supreme Allied Commander Europe (SACEUR) and current National Security Advisor James Jones has said that "France probably has the military in Europe most able to deploy to distant theaters." At the same time, U.S. military officials also say that some problems persist in an overly centralized command structure, occasional poor equipment maintenance, and minimal depth in some units. French military officials concede that the Defense Ministry lacks the resources to train its forces in joint and other large-scale operations.⁴²

³⁹ Today, France contributes two one-star flag officers to NATO headquarters and provides approximately one percent of NATO headquarters staffers. Interviews of European officials, March 2009; Steven Erlanger, "Sarkozy Embraces NATO, and Bigger Role for France," *New York Times*, March 8, 2009; Leo Michel, "Sarkozy's Next Big Battle," *Newsweek*, February 23, 2009.

⁴⁰ See, for example, Jamey Keaten, "U.S. Vision of 'global NATO' runs counter to role sought by France," Associated Press, March 18, 2009.

⁴¹ Leo Michel, op. cit.

⁴² Rupert Pengelley, "French Army Transforms To Meet Challenge of Multi-Role Future," *Jane's International Defence Review*, (June 2006), p. 45-46.

Afghanistan

NATO's most important mission is the stabilization of Afghanistan. The alliance's International Security Assistance Force (ISAF) is attempting to stabilize Afghanistan through combat operations against the Taliban and building the country's economy and political institutions. U.S. Administrations have consistently sought to persuade allies to contribute more forces to counter a growing Taliban insurgency. France is a leading troop contributor to ISAF. France's military is generally recognized as one of Europe's most effective and deployable, and U.S. and NATO officials consistently give French forces high marks for their ability and willingness to engage in combat. French officials have tended to view ISAF primarily as a combat force intended to buttress the efforts of the Afghan government to build legitimacy and governance. At the same time, they increasingly acknowledge the need to enhance efforts to train Afghan security forces and to boost the capacity of the police and judicial system.

France currently has 2,800 French military personnel deployed in Afghanistan, with an additional 600 supporting the mission from outside the country (in Tajikistan, Kyrgyzstan, and in the Indian Ocean as part of Operation Enduring Freedom). Almost all French forces currently serve under ISAF (200 French Special Operations Forces participated in OEF in southern and eastern Afghanistan until February 2007). The French contribution to ISAF covers four areas: Regional Command Capital (RC-C), headquartered in Kabul; a joint task force battalion in RC-East; training of the Afghan security forces—primarily the Afghan National Army; and air support. Approximately 1,400 French troops, including an infantry battalion of about 800 and a logistics battalion of about 500 serve in RC-C, currently under the command of French General Stollsteiner. Since 2008, a battalion of 600 combat forces has been fighting alongside U.S. forces in the eastern province of Kapisa (RC-E), attempting to block Taliban infiltration into Kabul. The unit receives consistent praise from U.S. commanders in Afghanistan.

Terrorism

Many U.S. and French officials believe that bilateral cooperation between the United States and France in law-enforcement efforts to combat terrorism since September 11 has been strong, but at the same time a range of political factors is complicating the relationship.⁴³ France has long experience in combating terrorism, a tightly centralized system of law enforcement, and a far-reaching network that gathers information on extremist groups. Limits on resources and important social and political issues sometimes affect elements of France's anti-terrorism policies.

Unlike the United States, France uses its military as well as the police to ensure domestic order (however, France has no equivalent of the U.S. National Guard, which can be deployed in national crises). The French military is in the midst of an effort to modify its forces to be more effective in counter-terror efforts at home and abroad.

Terrorism has an extensive history in France. Since the 1960s, terrorists have repeatedly struck French targets. Since the late 1970s, France has captured a number of members of the Basque terrorist group, the ETA, and extradited them to Spain. In recent years, a violent Corsican

⁴³ This section is an abbreviated, updated version of the section on France in CRS Report RL31612, *European Counterterrorist Efforts: Political Will and Diverse Responses in the First Year After September 11*, by Paul Gallis. The study was originally prepared as a memorandum for Representative Doug Bereuter and the House Select Committee on Intelligence, and became a CRS report with Mr. Bereuter's permission.

separatist group has carried out assassinations and bombings in France. In the past half century, France has created a number of intelligence agencies and specialized police forces to combat such groups, usually in a successful manner. In 1994, French police thwarted a hijacking at the Marseille airport; terrorists had reportedly intended to crash the plane into the Eiffel Tower. In a notable instance, in September 1995, an Algerian terrorist organization, the Armed Islamic Group (GIA), carried out bombings in the Paris subway that killed a number of French citizens. The reaction of the French government, according to U.S. and French officials, was swift, ruthless, and effective, and the bombings ceased.

Al Qaeda has carried out at least one successful attack against France. On May 6, 2002, Al Qaeda operatives exploded a car bomb in Karachi, Pakistan, that killed 11 French naval personnel. The French navy had sent men to Karachi as part of a contract to supply submarines to the Pakistani government.⁴⁴

France has taken several steps to increase existing efforts to combat terrorism on its own soil. On September 12, 2001, France revived an existing law enforcement measure, *Vigipirate*, that enhances the ability of the government to ensure order. The government established *Vigipirate* in 1978; without legislative action, the government may activate the system. The system provides for greater surveillance of public places, government authority to cancel holidays or public gatherings that could be the target of terrorist attacks, the activation of elements of the military to secure infrastructure, and tighter security at airports, train stations, embassies, religious institutions, nuclear sites, and other locations that may come under threat. Upon activation of *Vigipirate*, the government called 35,000 personnel from the police and military to enforce such measures, including 4,000 personnel assigned to guard the Paris subway system. *Vigipirate* is still in force, although not at the highest level of alert.

Coordination has improved between the United States and France in counter-terror policy since September 11. As Interior Minister, Sarkozy was intimately involved in ensuring coordination. The two governments exchange selective intelligence information on terrorist movements and financing. In January 2002, the French and U.S. governments signed an agreement allowing the U.S. Customs Service to send inspectors to the major port of Le Havre. There, U.S. inspectors have joined their French counterparts in inspecting sea cargo containers for the possible presence of weapons of mass destruction intended for shipment to U.S. ports.⁴⁵

The Middle East

France's long, intertwined history with the Middle East influences its debate on terrorism and its involvement in the region. While the French government supports key U.S. objectives in dismantling Al Qaeda, there is great political sensitivity in France to any issue that involves the Muslim world. A legacy of the French colonial empire is the presence of 5 to 6 million Muslims, mostly North Africans, living in France, a population that successive French governments have found difficult to integrate into society. There is tension in the French population between those of Caucasian background and those of North African origin. In 2005 and 2007, police pursuits

⁴⁴ "Face au terrorisme, M. Chirac prend seul la tête de l'exécutif," *Le Monde*, May 10, 2002, p. 2.

⁴⁵ "Terrorisme: Français et Américains se félicitent de leur coopération en matière de renseignement," *Le Monde*, December 31, 2003, p. 5; "Help from France Key in Covert Operations," *Washington Post*, July 3, 2005, p.A1; interviews.

ending in the deaths of teenagers triggered serious rioting in Parisian suburbs inhabited largely by people of North African descent.

France, along with the EU and all European countries bordering the Mediterranean, views the Middle East as a neighboring region whose political developments strongly affect European affairs. For this reason, France takes a strong interest in such issues as the Middle East peace process, terrorism, and Iraq. These issues often arouse a debate over sensitive social questions in France.

The Israeli-Palestinian Conflict and the Middle East Peace Process

Under Jacques Chirac, French officials, and their counterparts in many EU states, were privately critical of a U.S. policy that, in their view, unduly favored Israel and supported an aggressive Israeli policy towards the Palestinians. Sarkozy—whose maternal grandfather was Jewish—has made a point of publicly reaffirming France’s fundamental commitment to the state of Israel. In a June 2008 speech to the Israeli Knesset, the first by a French president in 26 years, Sarkozy pledged France’s unmitigated support for Israel and announced his willingness to deploy French troops to support a peace agreement with the Palestinians.

French and EU policy continues to be driven by the conviction that Israel’s long-term security depends on a peacefully negotiated, two-state solution to the Israeli-Palestinian conflict. France opposes Israel’s settlement building, its demolition of Palestinian homes, and its construction of a separation barrier on the West Bank, and believes Jerusalem should be the capital of both Israel and a future Palestinian state. Publicly, France continues to support the EU’s isolation of Hamas, which it considers a terrorist organization. However, in May 2008, France confirmed that it had been in contact with Hamas leaders to try to better understand its positions. French Foreign Minister Bernard Kouchner emphasized that the contacts should not be taken as evidence of ongoing negotiations or relations between the parties.⁴⁶ Some observers believe that French and European willingness to engage Hamas in the peace process could increase as more Europeans begin to view engagement as a better way to try to moderate the group and generate progress in the process.

The United States and France have cooperated closely in the effort to limit Syrian influence in Lebanon. France is a major participant in the U.N. stabilization force in southern Lebanon, in which the United States does not participate. For a century, France has had close relations with Lebanon and maintains an enduring commercial and cultural relationship with the country. French and U.S. officials have worked together to use the U.N. and other resources to diminish the Syrian presence and influence in the country. France and some other EU member states have resisted calls to designate Hezbollah as a terrorist organization, arguing that this would only serve to intensify Lebanon’s turmoil at a time when Hezbollah’s cooperation is needed to resolve the country’s ongoing political crisis.

Relations between France and Syria are tense, largely due to Syrian interference in Lebanese affairs. However, France has increasingly favored diplomatic engagement as a means to gain more cooperation from Damascus. French officials, including President Sarkozy, have met several times with their Syrian counterparts, and France has advocated enhanced ties between the European Union and Syria.

⁴⁶ Steven Erlanger, “France Admits Contacts with Hamas,” *New York Times*, May 20, 2008

Iran

France, with Britain and Germany, comprise the “EU-3” that has worked with the United States to curb Iran’s possible nuclear military program. While French officials say that they were surprised by the U.S. Administration’s December 2007 National Intelligence Estimate that stated that Iran does not have an active nuclear weapons program, they add that the EU-3’s central purpose is to curb or end Teheran’s nuclear enrichment program, a precursor to any such weapons program. Sarkozy continues to support U.N.-endorsed sanctions against Iran, including reduction or elimination of Iran’s importation of gasoline. Sarkozy has also advocated bilateral EU sanctions in the event that the U.N. does not endorse new sanctions. In June 2008, EU states agreed to freeze the assets of Iran’s biggest bank, Bank Melli, among others, and to impose visa bans on a number of experts suspected of involvement in the Iranian nuclear program.

On January 15, 2008, Sarkozy announced that France and the United Arab Emirates (UAE) had reached agreement for a French military base in Abu Dhabi. The base will have 400-500 soldiers, a combination of air, ground, and naval personnel, and is intended as a signal to Iran that France will defend its allies and interests in the Persian Gulf. The base can accept a surge in French forces for exercises or a crisis, and is expected to become operational in 2009.⁴⁷

Iraq

The French government did not contribute forces to the U.S.-led multinational force in Iraq. French officials say that Paris did not approve the conditions under which the United States launched the war and does not wish to be associated with the occupation of Iraq. At the NATO summit in June 2004, France and several other allies initially opposed sending a NATO force to Iraq. Chirac said that “any involvement of NATO in [the Middle East] seems to us to carry great risks, including the risk of confrontation of the Christian West against the Muslim East.” Ultimately, all allies agreed upon a training mission, but some countries do not wish to send their forces to Iraq to train Iraqi security forces. France was one of these countries, but offered to train Iraqi police in metropolitan France.⁴⁸ In 2003, France accepted a U.S.-German compromise plan negotiated in the context of the Paris Club to write off 80% of Iraq’s foreign debt.

Sarkozy has criticized as a “mistake” the U.S. invasion of Iraq in 2003, but added that France should have handled pre-war opposition to the conflict in a more diplomatic and less intrusive manner. “I am hostile to this war...there can only be a political solution,” he said in September 2007. He has called for a “clear horizon” for the withdrawal of U.S. troops.⁴⁹

Trade⁵⁰

U.S. commercial ties with France are extensive, mutually profitable, and growing. With over \$1.35 billion in commercial transactions taking place between the two countries *every day* of the

⁴⁷ “La France se doit être présente dans le Golfe, explique Morin,” *Le Monde*, January 16, 2007, p. 1.

⁴⁸ Interviews of U.S. officials, July 2004; “Allies To Support Iraq with Troop Training,” NATO, Brussels, June 29, 2004; “Paris et Washington s’affrontent sur le rôle de l’OTAN en Irak,” *Le Monde*, June 26, 2004, p. 2.

⁴⁹ “Discours de politique étrangère,” *op. cit.*

⁵⁰ This section is drawn from CRS Report RL32459, *U.S.-French Commercial Ties*, by Raymond J. Ahearn.

year, each country has an increasingly large stake in the health and openness of the other's economy.

France is the eighth largest merchandise trading partner for the United States and the United States is France's largest trading partner outside the European Union. More than half of bilateral trade occurs in major industries such as aerospace, pharmaceuticals, medical and scientific equipment, electrical machinery, and plastics where both countries export and import similar products.

The United States and France also have a large and growing trade in services such as tourism, education, finance, insurance and other professional services. In recent years, France has been the sixth largest market for U.S. exports of services.

Although trade in goods and services receive most of the attention in terms of the commercial relationship, foreign direct investment and the activities of foreign affiliates can be viewed as the backbone of the commercial relationship. The scale of sales of French-owned companies operating in the United States and U.S.-owned companies operating in France outweighs trade transactions by a factor of *four* and *five*, respectively.

In 2007, France was the thirteenth largest host country for U.S. foreign direct investment abroad and the United States, with investments valued at \$68.5 billion, was the number one foreign investor in France. During that same year, French companies had direct investments in the United States totaling \$169 billion (historical cost basis), making France the sixth largest investor in the United States. French-owned companies employed some 497,000 workers in the United States in 2006, compared to 651,500 employees of U.S. companies invested in France.

Most U.S. trade and investment transactions with France, dominated by multinational companies, are non-controversial. Nevertheless, three prominent issues—agriculture, government intervention in corporate activity, and the war in Iraq—have contributed periodically to increased bilateral tensions. The most pointed perhaps arose in early 2003 with reports of U.S. consumer boycotts of French goods and calls from some Members of Congress for trade retaliation against France (and Germany) due to foreign policy differences over the Iraq War.

Agriculture

Agricultural trade disputes historically have been the major sticking point in U.S.-France commercial relations. Although the agricultural sector accounts for a declining percentage of output and employment in both countries, it has produced a disproportionate amount of trade tensions between the two sides. As trade, as well as agriculture, is under the jurisdiction of the European Commission, the problems, of course, are not technically bilateral in nature.

From the U.S. perspective, the restrictive trade regime set up by the EU's Common Agricultural Policy (CAP) has been the main problem. It has been a longstanding U.S. contention that the CAP is the largest single distortion of global agricultural trade. American farmers and policymakers have complained over the years that U.S. sales and profits are adversely affected by (1) EU restrictions on market access that have protected the European market for European farmers; by (2) EU export subsidies that have deflated U.S. sales to third markets; and by (3) EU domestic income support programs that have kept non-competitive European farmers in business. From an EU and French perspective, the CAP has been substantially reformed in recent years and cannot be characterized as the largest source of distortions in agricultural trade. On the contrary, under

this view there is ample evidence that EU (as well as Australian, New Zealand, and Canadian) farm exports have been hampered by U.S. food aid policies in some developing countries.

France's agricultural sector, which in terms of output and land is the largest in Europe, has long been the biggest beneficiary of the CAP. Over the past several years, French farmers have received about 20 to 25% of CAP outlays that have averaged around \$40 billion. Acting to continue benefits and subsidies for its farmers, the French position, which is shared by many other EU members, can determine the limits and parameters of the European Commission's negotiating flexibility on a range of agricultural issues that are of keen interest to the United States. The most prominent and perhaps important example relates to current efforts to get the WTO Doha round of multilateral trade negotiations back on track by reducing agricultural subsidies and other barriers to market access. Other examples where the French position, backed by many other EU members, arguably has made settlement of disputes more difficult include expanded trademark protection for wines, cheeses, and other food products linked to specific regions, and a ban on the importation of beef treated with hormones.⁵¹

Government Intervention in Corporate Activity

Despite significant reform and privatization over the past 15 years, the French government continues to play a larger role in influencing corporate activity than does the U.S. government. This difference is manifested not only in the French government's continuing direct control of key companies and its support of "national champions", but also in its continuing proclivity to influence mergers involving French firms. President Sarkozy has continued to support this policy tradition in a number of ways. Nevertheless, although bilateral disputes may be more prone to occur because of the French government's interventionist and regulatory tendencies, the dictates of EU laws as well as the urgent need to raise the revenues through privatization efforts and to enact market-oriented reforms, are weakening the French *dirigiste* tradition.

In 1997, the then-Socialist government restarted a process of privatization and opening of government-controlled firms to private investment that had begun in the 1980s, and the program was continued by the center-right government that took power in 2002. In 2003 and 2004, the government reduced its stakes in large companies such as Air France-KLM (to 44.6 from 54.0%), France Telecom (to 42.2 from 54.5%), Renault (to 15.6 from 26.0%), and Thomson (to 2.0 from 20.8%). The government still has stakes in Bull and Safran, and in 1,280 other firms. While the trend has been to privatize many large companies (fully or partially), the government still maintains a strong presence in sectors such as power, public transport, and defense.⁵²

Despite its ongoing privatization program, the French government continues to promote national champions and "economic patriotism," a concept that has been used to justify opposition to foreign takeovers of French firms. This tendency has been apparent in an effort by the government to strengthen a French takeover law and a parallel effort to scrutinize sensitive

⁵¹ Trademark protection for geographic indications is also an issue of great importance for Italy (parma ham and parmesan cheese), Greece (feta cheese), Hungary (tokay wine), and Portugal (porto wine). Denmark, Italy, and Germany are other EU countries taking the lead on limits on research and use of GM crops and most all EU members strongly support the ban on the importation of beef treated with hormones. For further discussion of these disputes, see CRS Report RS21569, *Geographical Indications and WTO Negotiations*, by Charles E. Hanrahan, and CRS Report RS21556, *Agricultural Biotechnology: The U.S.-EU Dispute*, by Charles E. Hanrahan.

⁵² U.S. Department of Commerce, *Country Commercial Guide-France*, 2006.

foreign investments more closely. In the summer of 2005, the government orchestrated a quick merger of two utilities, publicly traded Suez SA, a French utility, and state-controlled Gaz de France (GDF), to fend off a potential takeover by Enel of Italy. President Sarkozy is now exploring ways to create “national champions” in other industries such as nuclear power and defense. Such mergers would involve Areva, the state-owned nuclear group and other French companies, plus the huge defense/aerospace companies Thales and Safran.⁵³

At the same time that Sarkozy is supporting interventionist policies designed to enhance France’s economic and industrial strength, he is also promoting market-oriented domestic reforms on issues such as taxation and labor markets. During 2007-2008, the government implemented several important labor reforms, including a de facto extension of the 35-hour work week by allowing employees to work longer hours. While President Sarkozy may view increased competition as a way to get France’s over-regulated economy on track for stronger growth, the government has delayed additional reform efforts due to the ongoing economic crisis.⁵⁴

Foreign Policy Discord and the Iraq War

In the era of the Cold War, there was considerable concern that trade disputes between allies could undermine political and security ties. Deep differences over the Iraq war between the United States and many of its allies, particularly France and Germany, reversed this Cold War concern into whether foreign policy disputes can weaken or undermine strong commercial ties.

Specific concerns that divisions over Iraq could spill over into the trade arena arose in early 2003 with reports of U.S. consumer boycotts of French goods and calls from some U.S. lawmakers for trade retaliation against France (and Germany). The spike in bilateral tensions and hard feelings, however, appears *not* to have had much impact on sales of the products—such as wines, perfumes, handbags, and cheeses—most prone to being boycotted.⁵⁵ U.S. imports of all four of these French products increased in absolute terms from 2003 to 2008. Moreover, the French share of U.S. total imports of these products has increased for cheese and travel goods, stayed about the same for perfumes, and declined only for wines. But the decline in market share for wines (from 35% in 2003 to 31.4% in 2008) started well before the Iraq War.⁵⁶ It also should be pointed out that because the *euro* grew substantially weaker during this 2003-2007 time frame, U.S. demand for these products had to remain strong.

Although there are few signs that goods and services clearly identified with France or the United States are being boycotted, some polls have found evidence of public support among some segments of the U.S. population for expressing opposition to foreign policy disagreements in the shopping malls. Nevertheless, a substantial economic backlash appears unlikely because of the high degree of economic integration. Effective boycotts would jeopardize thousands of jobs on both sides of the Atlantic.

⁵³ *Financial Times*, “National Champions: French Energy Mergers Test Europe’s Free Market Puritans,” September 27, 2007.

⁵⁴ Hollinger, Peggy, *Financial Times*, “Sarkozy’s Uneven First 100 Days,” August 23, 2007.

⁵⁵ This is an illustrative, not exhaustive, list of products that are likely to be targets of boycotts because they have a strong element of brand identification with France, and tend to be luxury items.

⁵⁶ French wines have experienced a long-term declining share of total U.S. imports. In 1998 French wines accounted for 47.05% of total U.S. imports, in 2000 42.34% and in 2002 35.12%.

Assessment

The United States and France retain a strong measure of economic and political interdependence. In economic terms, some \$494 billion in annual commercial transactions, the vast majority due to sales by U.S. companies producing and selling in France and French companies producing and selling in the United States, serves as a strong form of economic glue that binds the two countries together. This deep and growing level of economic integration increases the stakes each country has in the vitality and openness of each other's economy, as well as works as a counterweight to the adoption of restrictive policies which could jeopardize hundreds of thousands of jobs in both countries. In political terms, France acknowledges that only U.S. forces can provide security on a global scale, evident in the conflict against terrorism and the post-September 11 campaign to overthrow the Taliban and weaken Al Qaeda. The United States also plays a key institutional role in a stable Europe, a measure of which is Washington's leadership in NATO.

Additionally, France does act to buttress U.S. international efforts and to lend legitimacy to Washington's foreign policy initiatives, measures that demonstrate a complementarity of interests and action that is still the norm, even if at times that norm appears to be diminishing. French forces fought in the Gulf War of 1991, and, with much greater ability, in the Kosovo conflict of 1999. France has followed important U.S. initiatives that seek to enhance global stability, as in NATO's eventual acceptance of the once controversial idea that NATO go "out of area," and act on a global scale. In the conflict against terrorism, France has supplied the United States with political contacts in countries, such as Algeria and Tunisia, that have proven valuable.⁵⁷ With other EU countries, France has worked closely with the United States in law enforcement efforts to combat terrorism.

Important divergences have emerged over the past decade. The belief in France that the United States at times acts "unilaterally" was already evident in the 1990s when the French government criticized Congress and the Clinton Administration for defeat of the Comprehensive Test Ban Treaty, sanctions against Cuba, and a program of national missile defense.⁵⁸ This belief sharpened during the current Bush Administration, due to its rejection of the Kyoto Treaty, its criticism of the International Criminal Court, and its Iraq policy. French public opinion grew increasingly critical of the United States during the course of the Bush Administration's two terms.⁵⁹ President Obama's popularity in France suggests that many French expect the new U.S. Administration to distance itself from the perceived unilateralism of the Bush Administration. However, some observers caution that public expectations of the new President could be unreasonably high and note that policy differences between the two countries remain.

The French view of the United States is complex. While the French people view the United States as the sole superpower, the French media often describe the United States as having feet of clay. Hurricane Katrina fueled this sentiment. The French media was both puzzled by and critical of the U.S. government's seeming initial inability to assist Katrina's stream of refugees. Katrina also

⁵⁷ "Hubert Védrine effectue une tournée éclair au Maghreb," *Le Monde*, October 3, 2001, p. 9.

⁵⁸ "Chirac's Attack on Congress Has a Bigger Target," *International Herald Tribune*, November 9, 1999, p. 2.

⁵⁹ "French and German publics' trust in the U.S. falls to new lows," Office of Intelligence and Research, U.S. State Department, June 4, 2004, p. 1-2; "Image of U.S. Falls Again," *International Herald Tribune*, June 14, 2006, p. 1.

led to an outpouring of generous support from France, both in terms of the governmental emergency supplies and private and NGO giving.⁶⁰

In France, there is a growing professional and academic interest in the United States. Universities now regularly offer courses in U.S. politics, culture, and foreign policy. Professional organizations, notably the *Cercle Jefferson*, encourage mutual U.S.-French understanding. The *Cercle* includes all the former French participants in the State Department's International Visitor program, and seeks to improve understanding and encourage dialogue with their American counterparts in government and the professions.⁶¹

France's belief in the importance of international institutions is deeply ingrained, a sentiment shared not only by such traditional U.S. allies as Germany and Britain, but learned and accepted as well by the democracies that have emerged from the Warsaw Pact. The United States is in part responsible for this belief. After the Second World War, Washington strongly urged acceptance of international institutions to resolve disputes and manage global financial and economic systems. Since the end of the Cold War, a centerpiece of the policy of three U.S. Administrations has been that central European governments should join NATO, the European Union, and other institutions as a means to ensure stability through closer consultation, joint decision-making, and development of interdependence. Many European governments have embraced these institutions as an antidote to the conflicts of the 20th and 21st centuries.

The controversy over Iraq during the Bush Administration illustrates the divergence between the United States and France over the use of international institutions and military force. Regarding the former, President Bush challenged the U.N. in fall 2002 to meet its responsibilities and enforce the U.N. prohibition on weapons of mass destruction in Iraq. He noted that the difficult tasks undertaken by the U.N., such as those involving the threat or use of military force and the consequent expending of resources, often fell to major governments, such as the United States. The French government, and other allies, were ultimately sympathetic to this argument, and backed a new effort to enforce inspections. When the Bush Administration began to criticize the inspections regime as insufficient several weeks after its inception, France, joined by Germany and several other allies, asked for time, and noted privately that it was Washington, after all, that was supplying much of the information to the U.N. for site inspections. They wished to allow the inspections to run their course. French officials also feared that war in Iraq could trigger unintended consequences, such as prolonged conflict or destabilization of neighboring regions, and an expansion of global terrorism.⁶²

Differences over Iraq also threatened in early 2003 to disrupt commercial ties with reports of U.S. consumer boycotts of French goods. U.S. companies, too, worried that French and other European consumers might not buy their products as a way of expressing opposition to U.S. policy. Despite public opinion surveys indicating some support for using the marketplace to demonstrate political dissatisfaction, there is little evidence that sales so far have been adversely affected due to the foreign policy discord on either side of the Atlantic.

⁶⁰ "Les Américains consternés par la fragilité de leur puissance," *Le Monde*, September 3, 2005, p. 3; "Hurricane Katrina: French Assistance," doc. supplied by French embassy, September 2005.

⁶¹ <http://www.cerclejefferson.org>

⁶² Hans Blix, *Disarming Iraq*, New York: Pantheon Books, 2004, p. 156-157, 260-264; Report on "The Future of Transatlantic Security: New Challenges," French American Foundation conference of U.S., French, British, and German officials, December 2002.

A complementarity of interests and action in many spheres is likely to continue. For those in Congress and in the executive branch who desire greater European burdensharing in the alliance, ESDP holds at least the possibility of greater military capability among continental allies, a capability that could be used by NATO for conflicts in the region, or in more distant theaters. For those who desire greater contributions by other countries in peacekeeping, or in international financial institutions, French influence and policy often buttress U.S. interests and diminish the need for greater expenditure of U.S. resources. And for those who desire to maintain an open world trading system, French support in the councils of the European Union and World Trade Organization is sometimes critical.

Finally, France and the United States, while sharing values inherent in most democratic societies, will likely continue to have different political perspectives, particularly over the role of international institutions and the use of force. In the past, some critics of France have interpreted instances of disagreement as a desire on the part of France to see the United States fail. However, President Sarkozy has emphatically emphasized his belief that failure of the United States in areas of foreign affairs would have direct implications for France and other European countries. In Iraq, failure of the U.S. effort to bring stability, for example, has potentially great negative consequences for all Europeans: disaffection with U.S. leadership of NATO; a renewal of radical Islam in the Middle East, with regimes hostile to western governments; and further exacerbation of tensions in the Middle East, with unwanted consequences on the European continent.

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