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 (EU) 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.

Sarkozy is a traditional Gaullist in his desire to see France play a major role in the world. At the same time, he asserts that France should exert its power through the European Union, and that Paris must play a leading role in shaping the EU’s foreign and security policy. He deemphasizes France’s traditionally strong role in sub-Saharan Africa, and has sought to shift France’s foreign policy focus toward the Middle East.

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 ongoing NATO missions in Afghanistan and Libya, peace operations in the Balkans, the Middle East Peace Process and efforts to counter the Iranian nuclear program, and the fight against terrorism—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.
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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 Charles 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 112th Congress. After several years during which Jacques Chirac contested elements of George W. 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

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1 Jacques Chirac was president of France from 1995-2007.
maintain leadership on the continent. French and German efforts to 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 view the Obama Administration as having distanced itself from the perceived unilateralism of the Bush Administration.

In the aftermath of the United States’ 2003 invasion of Iraq, 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. 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. In the past, France has been credited for driving the European integration project; 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, including 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

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it has consistently played a leadership role, for example, in establishing EMU, forging a common European foreign, security, and defense policy (CFSP and CSDP), and in orchestrating opposition to the U.S.-led Iraq war. Most recently, in early 2011, France, along with the United Kingdom (UK), led the diplomatic effort at the United Nations to impose an arms embargo and economic sanctions on the regime of Muammar Qadhafi in Libya and to gain international approval of a military mission to protect Libyan civilians from the regime’s forces. France launched the first airstrikes against the Qadhafi regime and France and the UK are by far the biggest contributors to ongoing military operations.

While U.S.-French relations have at times been contentious, there is also a complementarity and an 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.

The United States and France also have a long military relationship dating back to the Revolutionary War, when France aided the United States in its battle for independence. Today, 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. U.S. military officials say that French forces have improved substantially in the past decades, and have a highly educated and motivated officer corps. Former U.S. National Security Advisor and NATO Supreme Allied Commander Europe (SACEUR) James Jones has said that “France probably has the military in Europe most able to deploy to distant theaters.” Officials in both Washington and Paris report that French and American troops have excellent relations in the field, notably in Afghanistan.

Other areas of complementarity include the ongoing NATO missions in Afghanistan and Libya, peace operations in the Balkans, the Middle East Peace Process and efforts to counter the Iranian nuclear program, and the fight against terrorism—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

**Current Domestic Context**

President Sarkozy, of the center-right Union for a Popular Movement (Union pour un Mouvement Populaire, or UMP), was elected to a five-year term in May 2007 and is expected to stand for re-

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4 See, for example, CRS Report RL32048, *Iran: U.S. Concerns and Policy Responses*, by Kenneth Katzman.
election in the spring of 2012. His presidency has been marked by his seemingly unbridled ambition and limitless energy, earning him the nickname “hyper-president.” However, a steady decline in his popularity — an April 2011 public opinion poll gave Sarkozy a 70% disapproval rating — suggests that French voters expected more substantive results from the numerous initiatives he has advanced during his term. Sarkozy continues to enjoy the solid public backing of his UMP party and the party holds a significant majority in France’s bicameral legislature. Nonetheless, as the 2012 election approaches, he will face growing pressure from the left-wing Socialist Party (Parti Socialiste, or PS), which scored a decisive victory over the UMP in local elections held in March 2011.

Perhaps more disconcerting for Sarkozy and the UMP, is the rise of the far-right, anti-immigrant National Front (Front National, or FN), which has been gaining in popularity and appears to be increasingly attracting support from Sarkozy’s traditional conservative base. The National Front last sent shock waves through the French political establishment during the 2002 presidential election when its then-leader, Jean-Marie Le Pen, who had in the past been convicted of anti-Semitic crimes, beat the Socialist candidate, Lionel Jospin, in the first round of voting. Le Pen has since been succeeded by his daughter, Marine Le Pen, whose efforts to distance the party from her father’s caustic xenophobia appear to be having significant success. Sarkozy’s continued emphasis on the importance of French national identity and his calls for a national debate of the role of Islam in France (discussed in more detail below) are widely seen as an effort to shore up conservative support ahead of the 2012 presidential election.

Analysts agree that Sarkozy’s domestic struggles are primarily the result of widespread dissatisfaction with the climate of fiscal austerity and high unemployment following the global economic downturn in 2008 and 2009. The president’s biggest challenges have been to stimulate a French economy that contracted by 2.5% in 2009 while trying to reduce a budget deficit that reached 7.5% of GDP in 2010. His administration aims to bring the deficit down to 3% of GDP by 2013, largely by phasing-out stimulus measures introduced in 2009 and 2010 and by enacting additional spending cuts, including a nominal freeze on most government spending. In the face of these measures, observers expect economic growth to stagnate at about 1.5% of GDP for the next two to three years, with unemployment forecast to drop slightly from 9.3% in 2010 to 8.8% in 2012.

The Sarkozy government continues to face strong public opposition to spending cuts and efforts to liberalize what remains a highly regulated economy, including measures aimed at bringing more flexibility to the labor market, promoting competition, and streamlining the public administration. Enacting such reforms has historically been a difficult proposition in France, where strikes and public protest feature famously in the national character. This was evident in 2010, over the course of a national debate on the retirement age. Although the government ultimately enacted its proposal to raise the retirement age from 60 to 62, the unpopularity of the initiative and Sarkozy’s low public standing ahead of the 2012 election suggest his government may be unlikely to pursue further structural reforms on this scale.

6 See “They can’t keep her down: What can France’s political establishment do about the rise of Marine Le Pen,” The Economist, March 17, 2011.
In the face of the sluggish economy and other domestic political troubles, Sarkozy has vigorously sought to boost his and his country’s profile on the world stage by pursuing an assertive foreign policy agenda. Sarkozy won broad praise for his handling of France’s presidency of the European Union in 2008, during which he moved quickly to seek to end Russia’s invasion of Georgia and convened European leaders to confront the oncoming economic crisis. As mentioned above, France, along with the UK, led diplomatic efforts at the U.N. to win international approval for military action to protect civilians in Libya, and Paris has taken the lead in ongoing military operations there. Sarkozy has also placed great emphasis on France’s current chairmanship of the G8 and G20 groups of advanced and emerging economies in 2011.

**Religion and the State: Laïcité and the debate over the role of Islam in French society**

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.9

A 2004 ban on the wearing of religious symbols in schools and a July 2010 parliamentary decision that would bar women from wearing full face veils in public have caused controversy in France and pitted some Muslims against the government. In March 2004, after an extended debate, France enacted a law banning “conspicuous” religious symbols in public schools through the secondary level. The law prohibits the wearing of head scarves. It also bans religious symbols such as large crosses and the yarmulke. The government argued that the bill was necessary to “set limits” in the face of growing religious militancy in French society. Proponents of the law, including some moderate Muslim groups in France, supported it as a means to reduce tensions in the school system and broader society. Critics of the ban warned that it was essentially a negative instrument that could alienate Muslims in French society.

In September 2010 the upper house of the French parliament overwhelmingly passed government-supported legislation that would forbid the wearing in public of garments that cover the face (the lower house passed the legislation in July 2010). The ban, which officially entered

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8 In addition to the sluggish economy, Sarkozy has faced several widely reported scandals involving perceived abuses of power and unethicial behavior by members of his cabinet and other high-ranking officials. This includes a campaign finance scandal involving France’s richest woman, Lilian Bettencourt, in the summer of 2010, and subsequent revelations of lavish spending by cabinet officials.

into force in April 2011, applies to dress worn by an estimated 2,000 Muslim women in France, including the *burqa*, a full body veil with mesh over the eyes, and the *niqab*, which also covers the face, but leaves an unobstructed opening for the eyes. The ban imposes a €130 (about $170) fine on anyone wearing a face covering in public, and a €30,000 (about $39,600) fine and up to one year in prison for anyone who forces someone to wear such a face covering.

French government officials and other proponents of the full-face-vail-ban cite principles of human dignity and equality between men and women as well as public safety concerns in justifying the policy. Among other things, they argue that the full face veil is a symbol of female submission that prevents the wearer from integrating into French society. They also contend that the veil could present a security threat by preventing law enforcement officers from identifying individuals in public places. Public opinion polls indicate that the proposed legislation enjoys the support of over 80% of the French population.\(^\text{10}\)

Critics of the veil ban, including many French Muslims, have argued that the new law will do more to stigmatize French Muslims than address real integration problems. They point out that relatively few French Muslims support the full face veil as religious prescription, as evidenced by the fact that only a small minority of French Muslims wear the *burqa* or *niqab*. Indeed, some critics contend that in advocating the ban, President Sarkozy may have been mostly concerned with garnering political support from conservative voters and in demonstrating to the public “that the government is doing something” to address concerns about the integration of Muslims in France.\(^\text{11}\)

Sarkozy has had a difficult relationship with the Muslim community. As Interior Minister in 2005, he referred to rioters of Muslim descent as “scum” who should be “washed away by a power hose.” Since becoming president, Sarkozy has offered strong rhetoric on the need for those of foreign descent to respect the law, learn the French language, and adopt French cultural norms. Although he has also at times signaled a willingness to pursue a policy of “positive discrimination” to assist the economically disadvantaged, his more recent efforts to address integration issues have been strongly criticized by Muslims and immigrant rights advocates and have reinvigorated debate in France over the role of Muslims in French society. In March 2011, Sarkozy fired his advisor on diversity, Abderrahmane Dahmane, after Dahmane openly criticized the president, calling his party “a plague for Muslims.”

In November 2009, the Sarkozy government launched a nationwide “debate on national identity” that was to consist of a series of over 100 town-hall meetings across the country to address the question of what it means to be French in the 21\(^\text{st}\) century. In the view of many observers, the open debates often provided a platform for offensive and racist rhetoric, that, if anything, served to heighten tensions between Muslims and “native” French. Critics contend that Sarkozy sought to use the initiative to ignite nationalist sentiment and to gain votes from the right wing of the political spectrum in regional elections held in March 2010. These criticisms have continued, particularly as Sarkozy faces pressure from Marine Le Pen and the National Front. In April 2011, Sarkozy sponsored a follow-up convention to the national identity debate entitled the “Convention on Islam and *Laïcité,*” which has been the object of similar criticism. In comments

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that led to his firing, Sarkozy’s former diversity advisor charged that the Convention was planned by a “handful of neo-Nazis.”

Factors Shaping French Foreign 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 élite 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.

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, have been highly assertive in seeking to spread French values throughout the world. Dominique de Villepin, the last prime minister under Sarkozy’s predecessor Jacques Chirac, wrote that “at the heart of our national identity, there is a permanent search for values that might be shared by others.”

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. 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-

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14 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.
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.

**Multilateralism**

Multilateralism is important 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.

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. He has since emphasized the importance of U.N. backing for peacekeeping operations in Lebanon and the NATO mission in Libya. 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.

During the George W. Bush Administration, France, with other European allies, pressed the United States to confront emerging crises within a multilateral framework. France was particularly critical if the U.S. invasion of Iraq, which was seen as a unilateral action that undermined the notion of collective security. 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.”

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, Haiti, and the ongoing NATO mission in Libya. 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

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use of force. At the same time, in the face of an increasingly likely Russian veto, French officials and counterparts from several other 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.18

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. Central economic objectives were improved trade and development after the dislocation of the Second World War. Overarching political objectives from the beginning were rapprochement between Germany and its former enemies, and stability on the continent. The EU was conceived in this context, with strong U.S. support.

France has been a catalyst in achieving greater political unity and economic strength within the European Union. Sarkozy’s predecessor, Jacques Chirac, 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. Some French officials say that France “does not wish to be resigned to a Europe which would only be a space of internal peace.” In their view, the EU should become a force for positive, broad-reaching change in Europe and the world.19

At the same time, France wishes to maintain a powerful position within the Union. Gaullists have sought to embed French views in EU initiatives, most often in concert with Germany (and occasionally Britain), but sometimes alone. In the past, French officials have called for an “inner circle” of a small number of states around France and Germany that must move forward to secure Economic Monetary Union (EMU), a common foreign and security policy, and a military force able to protect the Union’s interests. Some European governments object to the view that such a select group of EU member states can and should guide EU policies. They describe the claim for leadership by the three countries as an effort to dominate the EU and push smaller member states to follow the three governments’ lead. For their part, French officials cite a range of examples where such a “pioneer group” of EU countries has succeeded in forging forward-looking policies. France, Germany, and other countries led the way in implementing the Schengen agreement (open borders for people) and EMU. France, Germany, and Britain have led EU efforts to curb the Iranian nuclear program, and France and Germany are currently at the forefront of the EU’s response to fiscal crises in some of its member states.

The EU’s enlargement over the past decade to include 27 member states, many of them former Eastern Bloc countries, has both diminished Franco-German decision-making power within the Union and compelled the two countries to at times shift their diplomatic focus to managing relations with other EU members states. In the face of the recent global economic downturn and resulting debt crises in several EU member states, France and Germany have at times struggled to find common ground on EU policies. While both Sarkozy and his German counterpart, Angela Merkel, appear eager to implement economic and financial reforms to boost Europe’s global competitiveness, each has also displayed a willingness to protect national interests and industries.

18 Interviews and discussions with U.S. and French officials, February-March 1999.
Several widely publicized disagreements between Sarkozy and Merkel, on issues ranging from French proposals for increased national political control over European monetary policy to German calls for greater fiscal austerity, have led some observers to criticize both leaders for putting narrowly defined domestic interests ahead of their countries’ long-standing commitment to European unity and integration.

**Evolving Security and Defense Policy**

French defense and national security policy has evolved substantially over the past 20 years. In the 1990s, France began a multi-year effort to downsize and professionalize its military force into smaller, more flexible units. President Sarkozy has sought to build on these efforts, and has shown unwavering support for strengthening France’s defense and national security capacities. He has pledged to maintain France’s defense expenditures at a minimum of 2% of GDP, in line with NATO recommendations, and has encouraged other European countries to do the same. That said, the French government, like many of its allies, could struggle to realize ambitious defense spending goals in the face of severe budgetary constraints. Against this backdrop of fiscal austerity, France has heightened calls for increased defense cooperation both within NATO and the European Union. Paris has also shown a willingness to pursue enhanced military cooperation with individual countries, as evidenced by what some consider a watershed November 2010 defense cooperation agreement with the United Kingdom.

As of February 2011, close to 9,000 French troops were deployed to a range of multilateral military operations across the globe. This includes 4,000 troops serving as part of NATO’s International Security Assistance Force (ISAF) in Afghanistan, almost 1,500 military personnel as part of a U.N. peacekeeping mission in Lebanon, and at least 1,000 soldiers in the Ivory Coast. As of late March 2011, French forces have also been leading air operations to protect civilians in Libya; and in April 2011, French special forces reportedly led military operations to drive the outgoing President of Ivory Coast, Laurent Gbagbo, from power. Commentators note that this is the first time since the Second World War that French forces are simultaneously engaged in three separate combat operations—in Afghanistan, Ivory Coast, and Libya. Whether and at what level France can sustain such commitments could be driven largely by the results of ongoing defense reforms and efforts to enhance defense cooperation within NATO, the EU, and through structured cooperation with selected allies.

In 2008, a high-level commission appointed by President Sarkozy released the so-called French White Paper on Defence and National Security, intended to serve as a comprehensive, 15-year, national security strategy for France. The new blueprint for French security and defense policy—the first of its scope since 1994—was deemed a “necessity” in an increasingly challenging security environment.

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20 An earlier version of this section was drafted by Stephanie Kramer, former research associate at CRS.


23 For more information on the situation in Ivory Coast, see CRS Report RS21989, *Côte d’Ivoire’s Post-Election Crisis*, by Nicolas Cook.

interconnected world in which non-state actors wield significant power and the distinction between “internal” and “external” security is blurred. Though the new defense policy calls for a significant shift in resources, it reinforces many of the same themes that have traditionally guided French foreign policy, such as multilateral cooperation and the importance of the European Union. Perhaps most significantly from the U.S. point of view, the White Paper called for the reintegration of France into NATO’s integrated command structure.

The 2008 White Paper on Defense and National Security

The 2008 White Paper identifies possible threats to France’s national security and outlines a military strategy for the country’s defense. It is rooted in the premise that current and emerging threats to French national security are global in nature and could take any form; rather than a traditional invasion of France by another sovereign nation, attacks are more likely to be chemical, biological, nuclear or cyber attacks perpetrated by terrorists or non-state actors. The new French national security strategy details a movement away from personnel-heavy military operations towards a “knowledge-based security.” It calls for a heightened focus on intelligence, observation, and advanced technology, while maintaining the French nuclear deterrent.

In order to realize its vision, the White Paper calls for significant reallocation of resources, including significant personnel cuts to the French armed forces. This includes a 54,000-person reduction by 2014 in a force currently totaling about 320,000. Resources would be redirected toward programs in line with the new intelligence and technology-focused vision. The Sarkozy government has doubled the annual national funding for intelligence, satellite and space programs. A new cyber-security agency has been established, as has a new intelligence academy. Though French combat units will continue to sustain personnel losses, their equipment is being modernized or replaced. France’s nuclear program—often called its “life insurance policy” by military officials—has not been cut. Nuclear warheads are being upgraded and developed, as are new ballistic missiles and a satellite monitoring and early-warning system.

The White Paper also identifies new geographic areas of concern, including an “arc of crisis” beginning in the Atlantic Ocean, spanning the Mediterranean and ending in the Indian Ocean via the Persian Gulf. In concert with this shift of interest, France is reconfiguring the “staging points” for its missions. This includes deemphasizing France’s traditionally strong role in sub-Saharan Africa, and shifting focus toward the Middle East. In 2010, France handed over control of a long-standing permanent military base in Senegal—one of three permanent French bases in Africa—to the Senegalese authorities. In 2009, France opened a new permanent military base in the United Arab Emirates. The base in Abu Dhabi hosts all three military components: the army, navy and air force. This is the first time that France has opened a base in the Gulf, and the first time one has been established in the region by a Western country besides the United States.

Since the White Paper’s release, budgetary concerns have prompted debate over how to enact the prescribed reforms. Defense expenditures were slated to increase by 1% per year beginning in

28 For example, François Heisbourg, a member of the White Paper commission, has made the case that the defense (continued...)
2012, but have since been frozen until 2013. There is also some doubt that the envisioned personnel cuts will save as much money as projected, as the cuts are politically difficult to enact and the severance packages expensive. The Ministry of Defense has reportedly been asked to generate savings of €3.5 billion (about $5.1 billion) over the next three years, a number it hopes to bring down by selling off some of its assets, like army barracks and telecom frequencies.29 France is also pursuing bilateral defense cooperation agreements with other cash-strapped European countries, most notably the UK, but also Italy, and Germany. Proposed joint projects are largely technical in nature, and include new satellites, missiles, drones, and anti-IED technologies.30 The French hope is to reduce duplication and increase interoperability among EU allies.

France in NATO

At NATO’s 60th anniversary summit in April 2009, France announced its full reintegration into NATO’s integrated military command structure.31 France is currently the fourth largest contributor of troops to alliance operations and a significant financial contributor to NATO. However, it had only very limited participation in the alliance’s military decision-making structures after then-President de Gaulle withdrew the country from NATO’s integrated command structure in 1966.32 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.

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.33 The United States eventually engaged its forces in the Balkans in several

(...continued)

budget should not be trimmed across the board, but that intelligence capabilities should be preserved at the expense of other more expensive, personnel- and equipment-heavy pet projects. Francois Heisbourg, “Depenses militaires: conilier ineluctable austerite et depenses d’avenir,” Le Monde.fr, June 22, 2010.


31 This section draws on CRS Report R40454, NATO’s 60th Anniversary Summit, coordinated by Paul Belkin.

32 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.

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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 in their view undermines the principles of collective defense, allied unity, and the rationale behind enlarging the alliance to bring in a broad spectrum of new governments.  

French officials also 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, despite the absence of officers in the command structure. For many years, French governments had opposed proposals for NATO “out-of-area” operations, meaning military operations outside the Treaty area in Europe, or operations beyond Europe. The crises in the former Yugoslavia in the 1990s, which required a large military capacity to bring stability, and post-September 11 operations in Afghanistan, which required 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.”

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 participation in alliance operations. As of February 2011, France was contributing more close to 5,000 soldiers to NATO operations, including almost 4,000 troops in Afghanistan, and 765 in Kosovo. Since then, France, along with the UK, has contributed the bulk of the forces to the NATO mission in Libya. French four-star generals have filled 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 are reportedly being integrated into command structures at NATO headquarters.

There are differing views on what role France will play in determining the strategic direction of the alliance. 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 at times 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.). 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.

37 Previously, France contributed two one-star flag officers to NATO headquarters and provided approximately one percent of NATO headquarters staffers.
38 See, for example, Jamey Keaten, “U.S. Vision of ‘global NATO’ runs counter to role sought by France,” Associated Press, March 18, 2009.
Sarkozy has sought alliance and U.S. support for a strong European Security and Defense Policy (CSDP). France has argued that a robust and independent European defense capacity could reinforce and enhance NATO. After some reservation (outlined below), 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.”

**European Security and Defense Policy: CSDP**

In addition to outlining an enhanced French role in NATO, the 2008 White Paper on Defense and National Security emphasizes the need for stronger European cooperation in security matters. President Sarkozy has urged other EU members to increase their defense spending and build greater combat capability to undertake missions outside Europe. France has long 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 of NATO to provide military muscle to CFSP. The European Security and Defense Policy (now known as Common Security and Defense Policy, or CSDP) is the project that gave shape to this effort.

CSDP’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. At the operational level, the EU has committed to creating what would ultimately become a rapid reaction force of 60,000 troops. The force includes “battle groups” of 1,500 troops to act as “insertion forces” in the beginning stages of a crisis. The groups are expected to be able to deploy within 15 days of a decision to use them, and to sustain themselves for four months before a larger force replaces them. The forces are also available to NATO.

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 CSDP. The United States initially opposed elements of this effort, particularly the proposal for a planning staff. These bodies were considered duplicative of NATO structures and a waste of resources. NATO and the EU have since reached a compromise: there are now two planning staffs, each with representation from the other organization. Officers from EU states form a planning cell at NATO’s Supreme Headquarters Allied Command Europe (SHAPE), and NATO officers are attached to a new, separate EU planning cell.

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42 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, (continued...)
CSDP 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, continue to 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.  

Perhaps of more concern to proponents of a stronger European defense identity are shrinking national defense budgets and a climate of fiscal austerity throughout the EU. As national governments are seeking to reduce large budget deficits, many are significantly reducing military spending, in many cases decreasing the military capabilities available for EU military operations.

U.S. views toward an independent European defense identity have evolved over time. In the past, American officials were wary of CSDP, as they worried that it could duplicate—or worse, marginalize—NATO.  

Part of this skepticism may have been due to Gaullist rhetoric from then-President Jacques Chirac, who talked of building up the EU as a counterbalance the United States and creating “a multi-polar world.” However, U.S. officials appear increasingly optimistic that CSDP will not undercut NATO, but could enhance allied contributions to alliance operations. Some also believe that Sarkozy is more pragmatic on European security issues than Chirac.

France’s reintegration into NATO command structure has lent strength to this view. Proposals by the Sarkozy government for an “autonomous military capacity” within the European Union have been endorsed by U.S. officials. Secretary of State Hillary Clinton has said that a strong Europe is “critical to US security and prosperity” and “an essential partner with NATO and with the United States.”

Selected Issues in U.S.-French Relations

The NATO Mission in Afghanistan

The stabilization of Afghanistan remains NATO’s key mission and a top foreign policy priority of the Obama Administration and the U.S. Congress. As of March 4, 2011 there were 132,203
allied and partner country forces deployed to NATO’s International Security Assistance Force (ISAF); of the almost 99,800 total U.S. forces on the ground in Afghanistan, about 82,000 serve under ISAF command. During NATO’s November 2010 summit, alliance leaders reaffirmed their commitment to the Afghan mission while emphasizing the need to transfer responsibility in the country — first and foremost in the security sector — to the Afghan government. This includes a commitment to begin a phased transition of lead security responsibility to Afghan forces in selected provinces in 2011, with a goal of having the Afghan government lead security operations in all provinces by the end of 2014.

With almost 4,000 troops serving under ISAF command, France is the fourth largest troop contributor to the NATO mission in Afghanistan. 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. During the first years of the NATO operation, French officials tended to view ISAF primarily as a combat force intended to buttress the efforts of the Afghan government to build legitimacy and governance. Over the past several years, however, they have increasingly sought to enhance NATO efforts to train Afghan security forces and to boost the capacity of the police and judicial system. In January 2010, French President Nicolas Sarkozy reiterated a 2009 commitment not to send additional French combat forces to Afghanistan. At the same time, France has increased its development aid budget to Afghanistan and Sarkozy has indicated a willingness to send additional non-combat military personnel to assist in training the Afghan National Security Forces.

In November 2009, France transferred the main land component of its mission from Regional Command Capital (RC-C) in and around Kabul to eastern Afghanistan. Close to 3,000 French soldiers are deployed as part of Task Force Lafayette in eastern Afghanistan. This includes combat troops working alongside U.S. and Afghan forces in Kapisa and Surobi provinces. These forces receive consistent praise from U.S. commanders in Afghanistan. France has also boosted its efforts to train the Afghan National Security Forces. In 2009, France also boosted its efforts to train the Afghan National Security Forces. About 600 French troops have been training the Afghan National Army and Afghan National Police Force, including in five Operation Mentor and Liaison Teams (OMLTs) and at least four Police OMLTs.

France lifted the operational caveats placed on its forces in early 2008, and later that year began to deploy combat troops to serve along with U.S. forces in eastern Afghanistan. Although President Sarkozy has ruled out sending additional combat troops to the country, France spearheaded the 2009 effort to establish the NATO Training Mission-Afghanistan (NTM-A). Paris has also significantly increased what has widely been considered a relatively small annual financial aid package to Afghanistan. While total civilian aid between 2002 and 2008 was reportedly about $150 million, France has pledged an additional $136 million through 2011. French officials say they will seek to focus development aid in eastern Afghanistan, Kabul and Kunduz and Balkh provinces in the northern part of the country. Aid covers primarily the health, education, agricultural, and rule of law sectors.

As is the case in most European countries, the French public tends to oppose French military engagement in Afghanistan, with 57% saying they would support a reduction (17%) or complete

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withdrawal (40%) of French troops from the country.\(^{50}\) That said, opposition to the mission is less vocal in France than in some other European countries and the French parliament does not play as strong a role in approving troop deployments than some other European parliaments.

Although most agree that the French military engagement in Afghanistan has been effective and beneficial, critics contend that France has done too little in the area of civilian development and capacity building.\(^{51}\) France has long advocated a strict division between civilian and military personnel in overseas deployments. French military forces are generally trained for combat and stabilization operations. France does not have a PRT and has not been supportive of the PRT model in Afghanistan. On the other hand, French officials have increasingly acknowledged that success in Afghanistan will require enhanced civilian development and capacity building efforts.

### Military Operations in Libya

President Sarkozy has made a concerted effort to play a leading role both in ongoing military operations in Libya and in the continuing political deliberations about the future of the mission. Prior to the first air strikes on Libyan targets on March 19, 2011, France, along with the UK, had been the most vocal proponent of taking action against the Qadhafi regime.\(^{52}\) The two countries sponsored the U.N. Security Council Resolutions creating an arms embargo on Libya and authorizing the use of force to protect Libyan civilians (Security Council Resolutions 1970 and 1973, respectively), and pushed the European Union to quickly adopt sanctions against Qadhafi. France was the first country to afford diplomatic recognition to the Libyan Transitional National Council, Paris hosted the first international conference on Libya’s future, and French fighter jets were the first to launch attacks on Libyan ground forces.\(^{53}\)

In conjunction with U.S. Operation Odyssey Dawn and British Operation Ellamy, French military operations against Qadhafi’s forces were launched on March 19, 2011 under the codename Operation Harmattan. Since then, French fighter jets have been heavily involved both in establishing and maintaining a no-fly zone over Libyan territory and in attacking Qadhafi ground forces. On March 27, 2011, after just over a week of coalition air operations under U.S. command, NATO announced that it would take over command and control of all ongoing military operations in Libya. The stated goal of NATO’s Operation Unified Protector is “to protect civilians and civilian-populated areas under threat of attack from the Gaddafi regime.” This entails (1) enforcing a U.N.-mandated arms embargo; (2) enforcing a no-fly zone over Libyan territory; and (3) protecting civilians and civilian population areas from being attacked by military forces from the Qadhafi regime.

During the initial stages of coalition operations over Libya, France resisted U.S. calls to transfer the mission to NATO command. Among other things, French officials expressed concern that a NATO-led mission in Libya could lead to heightened criticism of western motives in the region.


\(^{51}\) See, for example, the French National Assembly’s National Assembly Fact Finding Mission on the Situation in Afghanistan, Interim Report, October 29, 2008.


\(^{53}\) On March 10, France became the first country to recognize the Libyan Transitional National Council “as the legitimate representative of the Libyan people.”
They argued, for example, that skepticism of U.S. motives and public perception of NATO as a U.S.-dominated alliance could erode support for the mission within Arab countries. Accordingly, French officials have consistently emphasized the importance of maintaining Arab endorsement of, and involvement in, the ongoing military operations as well as diplomatic efforts to broker a cease fire and possible transfer of power in Libya.

As of April 5, 2011, 14 NATO allies and three partner countries were contributing a total of 195 fighter jets and 18 naval vessels to Operation Unified Protector.\textsuperscript{54} French military assets deployed in the theater of operations consist primarily of approximately 20 combat aircraft—Rafale and Mirage fighter planes—operating out of Solenzara, Corsica, and the aircraft carrier Charles de Gaulle, which carries an additional 26 aircraft, including 16 fighter jets. Along with the Charles de Gaulle, at least four French frigates are reportedly present off the Libyan coast.

In spite of statements underscoring alliance unity on the mission in Libya, the initial planning and operational phases were marked by significant levels of discord within Europe and NATO. France was at the center of these disputes. A key point of contention was the amount of flexibility that NATO forces would be granted to protect civilians and civilian areas. Reports indicate that French officials insisted on maintaining the ability to strike ground forces that threatened civilian areas, while their Turkish counterparts vocally opposed any targeting of ground forces.\textsuperscript{55} Although the allies ultimately agreed on the terms of their military engagement, some of the aforementioned tensions have reemerged over the course of the mission. In particular, French and British officials have urged more allies to join the mission and have called on those participating to increase their contributions. They have also criticized many of those countries taking part in Operation Unified Protector for placing operational restrictions on their forces that forbid them to attack Qadhafi’s ground forces.\textsuperscript{56}

Many observers speculate that domestic political considerations were a key factor behind President Sarkozy’s decision to lead international diplomatic and military efforts in Libya. Sarkozy, who is struggling to boost his public approval ratings ahead of the 2012 presidential election, appears to enjoy the support of a wide majority of the French public for his handling of the situation in Libya.\textsuperscript{57} That said, a drawn-out military mission with no foreseeable resolution could also damage the president’s political prospects. A widespread perception that the Sarkozy government failed to decisively side with pro-democratic forces in Tunisia and Egypt during popular protests in those countries in late 2010 and early 2011 could also have played a role in President Sarkozy’s eagerness to take a proactive stance against the Qadhafi regime. In the case of former French colony Tunisia France’s then-foreign Minister, Michèle Alliot-Marie, publicly suggested that France could help Tunisian President Zine El Abidine Ben Ali control protests just one week before he fled the country.\textsuperscript{58} Alliot-Marie subsequently resigned under pressure over her...

\textsuperscript{54} NATO, Operation Unified Protector—Key Facts and Figures, April 5, 2011.

\textsuperscript{55} See, for example, Ian Traynor and Nicholas Watt, “Libya no-fly zone leadership squabbles continue within NATO,” \textit{The Guardian}, March 23, 2011; and “Still No Decision Who Will Oversee Libya Strikes,” Agence France-Presse, March 22, 2011.


\textsuperscript{58} For more information on the situation in Tunisia, see CRS Report RS21666, \textit{Political Transition in Tunisia}, by Alexis Arieff.
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links to the Ben Ali regime and Sarkozy acknowledged that he had underestimated the Tunisian crisis.

The Iranian Nuclear Program

France, with Britain and Germany, comprise the “EU-3” that has been at the forefront of international efforts to curtail Iran’s nuclear program. In 2006, China, Russia, and the United States joined the EU to form the “Permanent Five Plus One” (P5+1 or EU-3+3) negotiating group. Since then, France and the P5+1 have played a central role in pushing for three rounds of U.N. sanctions related to Iran’s nuclear program (Security Council Resolutions 1737, 1747, 1803, and 1929). 59

France and the EU-3 played a key role in passing the latest and most stringent U.N. sanctions against Iran to date, in June 2010. U.N. Security Council Resolution 1929 and the accompanying EU-wide sanctions, passed in July 2010, include: a ban on new investment in Iranian oil and gas industries—including equipment, technical support, and technology transfers; a ban on new relationships with Iranian financial institutions and on Iranian banks and their subsidiaries operating in the EU; a ban on insurance and re-insurance of Iranian government institutions or their affiliates; and extensive asset freezes of Iranian companies and individuals.

President Sarkozy is viewed as taking a harder line on Iran than many of his European counterparts. France has consistently supported stronger sanctions against Iran, including a ban on the import of Iranian crude oil and export to Iran of refined petroleum products (not included in the June 2010 U.N. sanctions), and has advocated autonomous EU sanctions in the event that the U.N. does not agree to new measures. In parallel to U.N. and EU efforts, French officials appear intent to continue to privately urge French and European companies to cease doing business with Iran. The Sarkozy government has taken measures to end export credit guarantees to companies doing business in Iran and government pressure was reportedly a factor behind French energy giant Total’s 2008 withdrawal from a major natural gas project in Iran.

French and European leaders have welcomed enhanced U.S. diplomatic engagement of the Iranian regime. While they emphasize their support of Administration policy, however, French officials have also encouraged the United States to react more firmly to Iran’s apparent rejection of U.S. and international overtures. Sarkozy, for example, was more outspoken than the Obama Administration in condemning the Iranian regime’s behavior after the June 2009 presidential election and was in favor of moving more aggressively to sanction Tehran immediately thereafter.

Countering 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. France has long experience in combating terrorism, a tightly centralized system of law enforcement, and a far-reaching intelligence network that gathers information on extremist groups. Violent radical groups have been active in France for many decades, and strong state action has been used in response. Since the 1960s, Algerian, Basque, and Corsican terrorists have

59 For more information on Iran and Iran sanctions, see: CRS Report RS20871, Iran Sanctions, by Kenneth Katzman; and CRS Report RL32048, Iran: U.S. Concerns and Policy Responses, by Kenneth Katzman.
struck French targets. By most accounts, a more forceful law enforcement policy against Muslim extremists took hold in the French government after the September 1995 bombing of the Paris subway by Algerian militants belonging to the Armed Islamic Group (GIA). The reaction of the French government, according to U.S. and French officials, was swift, ruthless, and effective, and the bombings ceased.60

Al Qaeda has carried out a number of successful attacks against French interests. In August 2009, Al Qaeda in the Lands of the Islamic Maghreb (AQIM) claimed responsibility for the suicide bombing at the French Embassy in Mauritania that injured three people. Today, France regards Al Qaeda and related extremist groups as the country’s greatest terrorist threat. On July 25, 2010, representatives of AQIM claimed responsibility for the death of a French hostage. French officials subsequently reiterated that France was “at war with Al Qaeda,” and that the fight against AQIM would “intensify.”61

Observers tend to agree that France has been “adept at dismantling and prosecuting terrorist networks.”62 In 1986, a French law created special judicial and police authorities to respond to terrorism. Efforts to find and arrest terrorists are overseen by a senior anti-terror magistrate. The anti-terror magistrate’s prosecutors have greater authority than other French prosecutors to order wiretaps and surveillance, and they may order preventive detention of suspects for up to six days without filing a charge. Under the 1986 anti-terror law, there are special judicial panels that try cases without juries. 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.

While France has long championed free speech and freedom of religion, there is also a prevailing requirement for public order. Strong central authority in France has traditionally meant that the government constrains civil liberties when there is a real or perceived threat. Police frequently check individuals’ identities and inspect carried items, particularly in large public places such as airports. Since the subway bombing of 1995, France has pursued vigorous surveillance of suspected terrorist groups with, for example, increased authority to eavesdrop on conversations and to view electronic mail. On September 12, 2001, France revived an existing law enforcement measure, Vigipirate, that enhances the ability of the government to ensure order.63 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.

60 The details of this operation are not in the public domain. Elements of the GIA are now reportedly linked to Al Qaeda.
63 France established Vigipirate in 1978; it may be activated without legislative action.
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.64

**Economic and Trade Relations**

U.S. commercial ties with France are extensive, mutually profitable, and growing. With over $1 billion in commercial transactions taking place between the two countries every day of the year, each country has an increasingly large stake in the health and openness of the other’s economy.

Based on a GDP of $2.6 trillion, France is the world’s sixth-largest economy. It has a large industrial base, a highly skilled workforce, and substantial agricultural resources. Most job creation in recent years, however, has come from an increasingly dynamic services sector. France is also the second largest trading member of the EU (after Germany). It ran a $69 billion trade deficit in 2010. Total trade amounted to $1.1 trillion, 65% of which was with the other 26 members of the EU.

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, industrial chemicals, pharmaceuticals, medical and scientific equipment, electrical machinery, and plastics where both countries export and import similar products. U.S.-French trade in goods, services, and income receipts totaled nearly $119 billion in 2009. Fifty-two percent of this trade was in goods, 25% in services, and 23% in income receipts. In recent years, France has been the sixth largest market for U.S. exports of services such as tourism and transportation.

Although much emphasis is placed on bilateral trade in goods and services receives, foreign direct investment and the activities of foreign affiliates can be viewed as the backbone of the commercial relationship. Sales of French-owned companies operating in the United States and U.S.-owned companies operating in France outweigh trade transactions by a factor of almost five.

In 2009, France was the twelfth largest host country for U.S. foreign direct investment abroad and the United States, with investments valued at $85.8 billion, was a major foreign investor in France. During that same year, French companies had direct investments in the United States totaling $189.3 billion (historical cost basis), making France the sixth largest investor in the United States. French-owned companies employed about 760,000 workers in the United States, and U.S.-owned companies employed approximately 650,000 workers in France.

France has pursued economic reforms that increase the attractiveness of the French economy to foreign investors. The French government also offers an array of investment incentives. However, while today’s foreign investors face less regulations than previously, the French government still from time to time intervenes in foreign investment decisions. In some cases, this is a result of

union opposition to takeovers of French firms. In other cases, it may be a result of the preference of French firms for working with other European firms rather than U.S. firms. Traditionally, French stakeholders have shown hostility towards a range of foreign takeovers. Labor market regulation in France also remains in flux, with the impact of the 35-hour work week mixed. Many companies have used the 35-hour workweek as an opportunity to negotiate annualized work-hour programs with their employees in an effort to provide greater labor flexibility.

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