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President Emmanuel Macron's EU Reform Plan: Appraisal and Prospects

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A year after announcing a plan for reforming the European Union, Emmanuel Macron has made progress with only some of his initiatives. Developments in the field of industrial and defence cooperation reflect, to an extent, the French president's proposals. Differences of opinion between EU Member States thwarted changes concerning migration policy and the eurozone. The "multi-speed Europe" scenario, entailing the emergence of an avant-garde of countries interested in closer integration, is less likely today than it was a year ago.

In a speech at the Sorbonne in Paris in September 2017, Macron presented a comprehensive plan for closer EU integration. His proposals concerned, among others, the eurozone (the creation of a common budget and appointment of a minister of finance), migration and asylum policy (harmonisation of procedures for granting asylum and strengthening the European border protection force), and defence policy (creation of a rapid reaction force and development of a common strategic doctrine).

Difficulties in Key Issues. Even though Macron's migration policy proposals have won the support of Germany, negotiations remain locked in stalemate. Harmonisation of procedures for granting asylum is doubtful, as a growing number of countries plead for a significant reduction in the inflow of migrants. Given the Member States' July agreement that asylum policy reform will require unanimity, there is little prospect of the French proposals being adopted. The call to strengthen the European border protection force is also contested. Some countries (e.g. Hungary) are afraid that they may lose control over their own borders, while others (e.g. Spain) would prefer more EU funds for their own border guards.

The arrangements for eurozone reform agreed so far deviate from Macron's proposals. A group of countries referred to as the Hanseatic coalition (Denmark, Finland, Ireland, the Netherlands, Sweden and the Baltic States) oppose the creation of a common budget. They are afraid that such a step would entail a permanent transfer mechanism for the countries of southern Europe grappling with a high level of public debt. These fears are partially shared by Germany. Even though Chancellor Angela Merkel supported the call for a eurozone budget, her declarations suggest that she is ready to devote around €20–30 billion to this end, which is much less than Macron would like. The French president hinted at a budget exceeding €100 billion. The future of the eurozone will be discussed at the European Council summit in December. However, it is difficult to expect an outcome that would be favourable for Macron. The budgetary plans of the Italian government, involving an increase in the deficit and criticised for this reason by the European Commission (EC), will only exacerbate the concerns of the Northern coalition. The Reform Support Programme, which provides financial incentives for economic reform in the eurozone and countries aspiring to membership, could prove a surrogate for a eurozone budget. The European Commission has allocated €25 billion for this purpose in the next multi-annual budget. While far from realising Macron's vision, this proposal is a step forward in promoting the idea of a eurozone budget, which has been roundly rejected in recent years.

Defence Policy. Instability in the EU neighbourhood has created favourable conditions for the implementation of Macron's proposals. The mechanism of permanent structural cooperation (PESCO) has opened the way for closer relations between Member States in the field of the joint design, creation and use of military capabilities. However, the final setup of this initiative does not fully reflect French preferences. It was hoped in Paris that PESCO would gather a group of countries most interested in military cooperation and ready to carry out joint missions outside the EU, e.g. in sub-Saharan Africa. It was to be a format that would strengthen the capacity to conduct independent military operations, which is the essence of European strategic autonomy promoted by Macron. France has therefore initiated the European Intervention Initiative (E2I). In contrast to PESCO, this is implemented outside the EU structures and in a narrower circle (10 countries). Yet France had to scale down its ambitions in this case too, in order to convince others, especially Germany, to join. E2I does not entail the creation of a rapid reaction force. It is above all a forum for exchanging experiences to facilitate the conduct of joint missions in the future. However, it can be expected that France, encouraged by Merkel's November announcement of her support for the creation of a European army, will seek to develop this initiative further.

The Common Market. Macron has made progress in advancing his vision of the common market, which emphasises the strengthening of socio-economic convergence between Member States over the promotion of competition. The amended directive on the posting of workers limited the scope of applying this practice, which is willingly used by entrepreneurs from Central and Eastern Europe (CEE). Macron, like his predecessors, criticised posting in its previous form as "social dumping." In the decisive phase of negotiations, he made a series of visits to countries sceptical about the draft amendment (bypassing Poland) and persuaded the governments of Bulgaria, the Czech Republic, Romania and Slovakia to support the French proposals. Negotiations on posting in the road transport sector, in which entrepreneurs from CEE have gained a strong position, are still ongoing.

Conclusions and Prospects. The divergence of views between Member States has made a broad transformation of the EU, leading to closer integration, difficult to implement. Even the Franco-German agreement on matters such as the eurozone and migration, spelled out in the Meseberg Declaration in June, has not resulted in the proposals being adopted to date. The stabilisation of the economic situation in Europe and relative control over migration flows mean that the need for reform is no longer a priority for many Member States. The possibility of an EU avant-garde capable of setting the course of integration for other countries is also becoming increasingly unlikely. The governments of Germany and the Netherlands, natural partners of France in such a "coalition of the willing," prefer limited and gradual reforms to a decisive leap forward.

Macron has not been discouraged by the slow progress of his initiatives. At the outset of the campaign preceding the European Parliament (EP) elections, he has been trying to strengthen his image as the main advocate of further integration. The election result will be an important factor determining the future of Macron's initiatives. If his party wins in France and, together with allied formations, creates a strong political group in the EP, he will gain a serious advantage in discussions around the distribution of the most important positions in the EU. A friendly President of the European Commission would be a valuable ally for Macron, facilitating the advancement of his ideas in the new term.

However, achieving those goals will be difficult. Recent polls show that the presidential party is losing support and currently level with the right-wing National Rally. Macron's personal ratings have also been deteriorating. He is trusted by 28% of the French, a decrease of 11% compared to June this year. Meanwhile, plans to create a wider coalition of pro-European parties under his aegis remain vague. The party of European liberals has expressed a willingness to cooperate with Macron, but the French president has been delaying the formalisation of this alliance in the hope that he will be able to build a broader front.

Poland and other countries of the Visegrad Group, who prefer making the most of previous integration achievements to deepening EU cooperation, are quite commonly perceived as the main opponents of Macron's vision. Despite the obvious disagreements (for example, about the character of the common market and migration policy), several of Macron's initiatives could become areas of cooperation. One may be his proposal for a uniform digital tax. Poland, interested in preserving its influence over the EU's defence policy, can benefit from joining the E2I initiative.