

French seek pragmatic EU By *Ben Hall and John Thornhill* in Paris, paru le 9 décembre 2007

Nicolas Sarkozy's determination that the European Union should not be a "machine that just advances on its own" and must allow elected national politicians to exercise more influence over competition, monetary and trade policies, has been underlined by the French president's chief political strategist. In an interview with the Financial Times, Henri Guaino said EU institutions should become more pragmatic and flexible to reflect changing circumstances and shifts in public opinion. "European affairs cannot be governed only by general, impersonal, automatic rules which have been fixed in advance. Europe should debate these things together and decide together, as happens in all other democracies in the world." Mr Guaino said it was "perfectly absurd" that the EU competition authorities were more doctrinaire than their US counterparts, putting Europe "in a very naive position of inferiority, of vulnerability". He suggested the eurozone's political leaders should have more say over the European Central Bank's monetary policy and hinted that France could eventually press for changes to the ECB's rules to force it to do so. "For the moment there is no project to change the statutes of the ECB but France wants to strengthen economic governance and to discuss this monetary policy because in a democracy we should be able to discuss everything," he said. Mr Guaino's comments on EU policies are likely to sound alarm bells in Brussels, where the rule of law and delegated decision-making are regarded as the building blocks of European market integration. Mr Guaino singled out the European Commission's competition policy as an example of official dogma. "The theory of competition is not sacred. It evolves ; it changes," he said. "In the US, antitrust policy is to pursue and condemn those who abuse their dominant market position. In Europe we say you are big and therefore in a dominant position . . . with a tendency to abuse it. From the point of view of all the principles of law this is perfectly absurd. "Yes, competition is better than a monopoly. But if you have a religious, dogmatic vision you are going to end up putting the European economy in a situation of extreme inferiority compared with all other countries." Mr Guaino gave notice to other eurozone governments that France would not slash spending or raise taxes to put its public finances in order, but would wait for reforms to produce higher economic growth. "In the short term you are not going to see public spending fall very easily. The most important thing to sort out public finances for the longer term, is to replace bad public spending with useful public spending. And if it works, it is going to improve productivity, and spending will fall as a share of gross domestic product." On the domestic front, Mr Guaino defended Mr Sarkozy's gradual and consensual approach to labour market reform. The government was in for the long haul, he said. It would not blunder into a confrontation with unions, workers and students as its predecessors did in 1995 and 2006. Copyright The Financial Times Limited 2007