

France

Sarkozy threatens to pull out of Schengen

By Sophie Petitjean and Eric van Puyvelde | Monday 12 March 2012

The demands made on Europe by French President Nicolas Sarkozy as part of his electoral campaign have surprised many European observers both because they concern two subjects that are already being discussed in the EU institutions – Schengen area and public procurement – and because they seem to make Europe responsible for the problems encountered by France. Some observers, including MEPs linked to Sarkozy's UMP, welcome the fact that Europe is coming back to the forefront in this way; while others, such as the European commissioners directly concerned by these demands, are insisting on non-protectionism and freedom of movement.

In an 11 March speech, Sarkozy, who is still lagging behind in the polls, called for reforms of Europe, which he is convinced is the best framework to protect France. Sarkozy gave his European partners a series of ultimatums destined to protect Europe from the migratory flows and "unfair competition" which threaten its economy. "Europe must not be a threat, it must protect," the UMP candidate stressed.

Sarkozy's first request is a "revision" within a year of the Schengen agreements, which guarantee the free movement of persons within Europe and control its borders, but which, according to him, "can no longer respond to the seriousness of the situation".

Sarkozy requested a "political government of Schengen" and the possibility to sanction, suspend or exclude from Schengen a state that falls short of its responsibilities. If there should be "no serious progress towards this [reforming Schengen], France would then suspend its participation in the Schengen accords until negotiations conclude," Sarkozy threatened.

The second requirement is the adoption of a European version of the 'Buy American' Act, which requires that, in public contracts, the US state exclusively use products made in the US. If no progress has been made within twelve months, "France will apply this rule unilaterally," Sarkozy announced. The same goes for European SMEs, which he wants "a share of public contracts" to be reserved to. Aware of the scope of the demands he is making, Sarkozy, who has promised that the first visit he would make if he is re-elected president would be to Angela Merkel, was open about the fact that his discourse would be "attacked".

REACTIONS

Internal Market Commissioner Michel Barnier spoke in favour of a 'non-protectionist' solution, after Sarkozy's call for a 'Buy European' act to privilege European companies in public contracts. In a statement made to *AFP*, the French commissioner recalled that his services and those of Trade Commissioner Karel De Gucht were working on a proposal to ensure a better reciprocity of third countries in access to public contracts. "The proposal gives us some leverage vis-à-vis our commercial partners," he stated. The Commission's draft, which is set to be published on 21 March, aims to limit in some cases the access to EU public contracts of third-country enterprises if they do not ensure, on their own territory, equivalent conditions to European enterprises that are candidates there.

Regarding the question of Schengen, Home Affairs Commissioner Cecilia Malmström, when questioned by the press on 12 March, said that “negotiations are ongoing and are moving forward on the Commission proposals that were called for by the Council in order to reinforce confidence in the Schengen area and guarantee free movement”. Malmström also remarked that Schengen is part of the treaty and that any change would therefore require a change of treaty (see interview).

“Nicolas Sarkozy expressed his political desire for Europe to wake up,” said members of the EPP group’s French delegation. Jean-Pierre Audy, the president of this delegation, said in a statement: “The global demographic explosion in the world (and namely our neighbouring countries) requires serious management of the migratory flows; the considerable global economic growth (and that is good news) forces us to make an effort to be competitive, but as global competition is fierce, we must also require the application of the principle of reciprocity in trade treaties”.

Sarkozy’s rival in the presidential elections, Socialist François Hollande, accused the president and electoral candidate of “concealing the overall assessment [of his term]” during the Villepinte meeting, and of making Europe a “scapegoat” in his discourse.

In a communique, MEP Catherine Trautmann (S&D, France) criticised a “nationalist and hypocritical discourse, in which Europe was particularly present and ill-treated [...]. By promising to unilaterally turn inside out the rules that govern the way Schengen functions, Nicolas Sarkozy is spinning a debate out of thin air”. According to her colleague and fellow countryman Henri Weber, “this abrupt conversion in favour of a protective Europe has a very strong whiff of vote-catching. How can one believe that an incumbent candidate will do during his next term what he has refused to do over the last five years in terms of combating social, fiscal and environmental dumping?”

Gerhard Huemer, the director for economic and fiscal policy of the European Association of Craft, Small and Medium-sized Enterprises (UEAPME), said that “Small and medium-sized businesses in the EU neither want nor need ring-fenced quotas for public contracts, also because their share is already higher than any possible meaningful threshold that could be established. For comparison, US legislation foresees a 25% share of public contracts reserved to SMEs – European small and medium-sized companies already win around 42% of public tenders in volume. This share is likely to grow further, possibly to around 50%, after the recent proposals made by the European Commission to introduce further simplification measures”. On Sarkozy’s proposal for a ‘Buy European’ act, “one must bear in mind that open markets deliver the best value for money for public authorities and for society at large”. However, he added, “If there is no reciprocity, an initiative to privilege our own goods and services could actually make sense”.

“France would suspend participation in Schengen unless there is progress over the issue in the next 12 months”

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