European integration has been built around post-war Franco-German reconciliation. Ever since France and Germany began to play a crucial role in the European Union (EU), no major initiative has been possible, without their cooperation. The success of Franco-German relationship over the past decades is a record of determination to accommodate divergent interests through positive political action, to tolerate differences and to minimize the impact of their divergences. This has been largely possible due to the 'lowest-common-denominator bargains' between these two states. Despite the doubling of EU's Member States between the mid-1960s and thereafter to the mid-1990s, this pattern of Franco-German relationship seems no less marked even today. It is not the congruence of French and German objectives but positions of divergence on various issues that drove them to seek solutions and keep the European integration process on the track. When their conflictual positions could not be mediated, there were apparent deadlock in the EU (as was during the recent crisis over the Economic and Monetary Union during the 1996 Intergovernmental Conference). When they reached positions of convergence and cooperation, the rest of the EU members had very little choice but to follow. On many of the oldest EU common policies (like the Common Agricultural Policy

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or on external trade policy) where the EU's competence are the strongest, it could be expected, on the basis of neo-functional rationale, that supranational governance would be dominant. On the contrary, there has been significant intergovernmentalism in EU politics, especially with France and Germany playing a determining role (sometimes through a mutual bargaining process) in the EU.

The 1980s and 1990s witnessed some spectacular events in Europe with the democratic resurgence in the Iron Curtain countries in Central Eastern Europe, followed by the disintegration of the Soviet Union synchronising with the unification of Germany. The EU, on the other hand, was progressively becoming a dominant political and economic force, thereby reaffirming its stance as the most outstanding example of regional integration in human history. In view of the fact that the Franco-German core has been the main driving force of the evolution and growth of the EU, it is judicious and appropriate for a student of West European politics to critically examine the nature and dynamics of the cooperation and competition leading to inter-state bargains between these two countries in conditioning the scope and content of European integration in the 1990s. This thesis is an exercise in that direction.

The Introductory Chapter of the thesis presents a historical
overview of Franco-German cooperation after the end of the Second World War --- exploring the relationship in the context of external factors which prompted the rapprochement between these countries and it also takes into account the politics of cooperation and competition that has been the underlying basis of this alliance. After the end of the Second World War, it was French objective to regain its glory and prestige and German concerns to recover international recognition that made them embark on this partnership to harness German economic resources to meet French political objectives. The Federal Republic’s limited foreign policy objectives in contrast to the broad foreign policy objectives and a weak economic base of France, made it a potential auxiliary to France. The chapter analyses the changing paradigms of the Franco-German relationship in the politically altered scenario of the late 1980s and early 1990s. The concluding remarks of the chapter identifies the impact of personality and political leadership of France and Germany as the continuing factors for shaping and reshaping the constraints under which the governments operate.

The Second Chapter evaluates the Franco-German role in the formulation of the Maastricht Treaty. The late 1980s brought several new challenges into the EU which created incentives for greater cohesion and deeper integration. Faced with increasing
global competition from the United States and Japan and hampered by rigidities in the industrial structure and labour market policies, EU's future economic and political policy demanded a renewed vigour and integrational thrust. With the end of the Cold War, the EU had new tasks in its agenda, primary of which was the consolidation of its economic and political integration. Under the aegis of Franco-German cooperation, the Treaty on European Union was signed in 1991. This chapter delves into the Franco-German motivations behind the Treaty and critically examines the response of the two Member States during the ratification of the Treaty. Finally, it concludes with a critique of the Treaty by highlighting those issues which the Treaty failed to resolve.

The Third Chapter deals with the challenge of enlargement that the EU is confronted with and Franco-German policies towards enlargement. The democratic resurgence in the erstwhile Iron Curtain countries coincided with the unification of Germany, while the EU was becoming a dominant political and economic force. It became a model for peace, prosperity and stability for the rest of the European countries whose aspirations to belong to such an order made the EU face a new challenge of enlargement. It came at a time when the EU was concentrating on its internal integration. The chapter at the outset, summarises the
previous enlargements of the EU and their subsequent impact on the EU institutions. It further examines the implication of the changes in Central and Eastern European countries and the response of the EU in helping these countries attain political and economic maturity to qualify for membership. EU's well-established credibility as an island of peace and stability is not only confined to Eastern Europe. The countries of Southern Europe (Malta, Cyprus and Turkey) and Russia also perceive themselves as potential members of the EU. In view of this, separate sections on prospects of EU enlargement to these countries, have been discussed. Major sections on Franco-German role towards enlargement have been devoted by bringing out their policies of competition over the future architecture of the EU. The chapter concludes with the institutional challenges that are likely to arise with future enlargement and the policies (like the Common Agricultural Policy, the Structural Fund and the EU budget) that might be affected when more countries become members of the EU. Finally, some perplexing themes that have emerged with EU's enlargement strategy have been examined.

The Fourth Chapter deals with the Common Foreign and Security Policy of the EU. The EU's economic weight makes it incumbent to play a commensurate political role in world affairs. The introductory section of this chapter makes a historical and
analytical survey of the early developments of the European Political Cooperation (EPC) during the 1960s to the 1990s, culminating with the proclamation of a Common Foreign and Security Policy (CFSP) in the Maastricht Treaty. The performance and efficiency of CFSP has been examined with the help of a case-study of the Yugoslav crisis. The prospects and role of the Western European Union (WEU) as a defence arm of the EU have been elaborately discussed. In keeping with the theme of this thesis, the Franco-German role in fostering CFSP have been dealt at length. The institutional loopholes, the budgetary problems, the lack of 'collectivity' amongst the Member States, the presence of a 'variable geometry' pattern and the existence of the 'capability-expectation gap' in the foreign policy of the EU have been examined in evaluating the prospects of a viable CFSP.

The Fifth Chapter reviews the IGC, 1996 which culminated with the Amsterdam Treaty. Even after the signing of the Maastricht Treaty, the Member States found themselves confronting the task of re-examining the institutions, reviewing the existing structure of the EU and seeking solutions to the unresolved challenges of the 1990s. Two most vital issues in the IGC, 1996 were institutional reforms to prepare the EU for the forthcoming enlargement and creation of a viable CFSP and justice and home affairs. The chapter explores the proposals put
forward by the different Member States, who were the key actors in the IGC and whose positions and agenda underlined the diversity of views about the direction in which the EU is heading. The chapter concludes with a critical evaluation of the Treaty and reflects on the bargaining power of France and Germany in building a convergence from diametrically opposite positions.

The Concluding Chapter of the thesis investigates into the present state of affairs of the EU and the challenges that it would confront in the years to come. The failure of institutional reforms in face of forthcoming enlargements, the power struggle between the Small and Big Member States, and the growing heterogeneity of the EU have been elaborately addressed.

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