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## U.S.-FRANCE ANALYSIS SERIES

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### FRENCH SECURITY POLICY UNDER THE NEW GOVERNMENT

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In the spring of 2002, the voters of France handed an unexpectedly large victory in the presidential and legislative elections to President Jacques Chirac and the conservative parties that support him. Under Prime Minister Jean-Pierre Raffarin, and with the blessing of the President, the new government quickly announced its determination to significantly increase the defense budget. This it did twice, first in July with a supplemental to the 2002 defense budget, then this fall with the new *Loi de Programmation Militaire* (LPM), a budgeting document intended to chart French defense spending for the next six years, roughly the equivalent of the U.S. Defense Department's FYDP (Future Years Defense Plan).<sup>2</sup>

If implemented as planned, the 2003-2008 LPM will have a significant impact on French defense capabilities, both in terms of readiness and modernization. The stated goal of the new LPM is to make good on the plans devised during the mid-1990s and to implement the defense policy envisioned in the *2015 Military Model*, a strategic blueprint for military modernization comparable to the U.S. Defense Department's *Joint Vision 2020*, though far from constituting the type of far-reaching 'military transformation' promised by the American vision.

The recent decisions on French defense policy do not in and of themselves guarantee that the ambitious modernization objectives in the *2015 Military Model* will ultimately be met. They do, however, reverse the trend of declining French defense spending so evident in recent years—a trend that, if it had continued, would have led to a virtual collapse of French defense capabilities. By bridging the gap between stated political objectives and actual capabilities, this significant budgetary effort is both a response to the current, more threatening strategic context and a reassertion of French political ambitions. Moreover, far from marking a departure from previous French policies, the recent defense budget increases are a reaffirmation of traditional French security policy vis-à-vis the European Security and Defense Policy (ESDP) and NATO.

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<sup>2</sup> The text of this new budget plan, as well as 60 pages of detailed explanations, can be found at the following address: <http://www.defense.gouv.fr/actualites/dossier/d140/index.htm>

## Strategy, European Politics and French Defense Policy

As the government has asserted, the budget increases are for the most part intended as a response to the new threats so vividly illustrated by the events of September 11. There is now a widely shared sense in France, at least within defense circles, that the large European countries are right after the U.S. on Al-Qa'eda's target list, as the attack on the French oil tanker *Limburg* recently demonstrated. Indeed, the short set of strategic considerations introducing the *LPM* contains language surprisingly close to recently released U.S. strategic documents. Dangers stemming from global terrorism and WMD proliferation are explicitly referred to, and preemption is even discreetly mentioned as conceivable under extreme circumstances. The new budgetary emphasis put on some specific capabilities and niche programs (e.g. Special Forces, WMD protection) attests to the seriousness with which French policymakers view the threat of terrorism. President Chirac intends to respond to these changes in the international security environment while at the same time continuing the development and implementation of a common European Defense Policy.

Accordingly, the defense budget increases do not herald any major changes in French foreign and security policy. There is no compelling reason for France to reengage NATO. This is especially true at a time when the United States itself seems to pay no more than fleeting attention to NATO and to transatlantic ties in general. Given that France's neither-in-nor-out position relative to NATO has not curtailed her influence in military operations undertaken within the NATO framework and since many in the country oppose NATO membership for ideological reasons, the *status quo* is the likeliest outcome.

On the other hand, France will endeavor to further develop ESDP as well as various common European procurement programs (see below). The headline goal of creating a deployable force of 60,000 troops in 2003 will be met, not surprisingly given the existing capabilities of the British, French and German armed forces. Meeting this goal may enable the takeover of the NATO mission in the Balkans by EU forces—certainly a milestone if it indeed comes to pass. Despite these intentions, intra-European political considerations are not absent from the new government's defense project, as several references by French political leaders to Britain make evident.

The spirit of European, and particularly Anglo-French, cooperation on defense matters that emerged from the Saint-Malo conference of 1998 has now largely faded. The *ad hoc* coalitions formed by the United States since September 11 have served to stimulate competition among European powers rather than cooperation. This factor is reinforced by dynamics peculiar to European politics. For some time now, France has been facing what might be called a 'British crisis' in its defense policy—Great Britain now sets the standard within Europe for military efficiency and deployability and is a standard of reference within French defense circles. As a result, Great Britain represents a model to be admired and emulated, an ally to cultivate, and even a competitor to balance against for political-military leadership in Europe. In fact, chapter 1 of the *LPM* begins by detailing the growing gap in military capabilities between France and Britain, and President Chirac has made numerous references to the subject over the last several years, most recently in an interview on Bastille Day (July 14, 2002):

We have been decoupling from Great Britain for some time, and this has tremendous consequences as far as our political power is concerned, as well as our capacity to protect our interests and our nationals in the world. It is thus essential for us to reverse this trend.<sup>3</sup>

The French President feels that the United Kingdom is outperforming France, in the very realm in which he hoped France could achieve some degree of European leadership. The platform of the Rally for the Republic (RPR), President Chirac's political party, explicitly mentions Germany as having leadership in economic-industrial matters, whereas France “has traditionally relied more on its military power for influence.”<sup>4</sup> Unfortunately, Great Britain has chosen the same strategy, partly as a substitute for opting out of the Euro. Indeed, the United Kingdom has a better claim to take the lead in that sphere—the UK has, for example, been the “framework nation” (who is he quoting? cite?) that led peacekeeping operations in Macedonia and Afghanistan. British operational success in Sierra Leone also demonstrates its military capacity.

The differential in British and French operational capabilities stems from many factors, but first and foremost it comes down to budgetary realities. In 2001, France's budget amounted to 25.5 billion Euros (1.77% of GDP)<sup>5</sup>, whereas Great Britain's totaled 37.4 billion Euros (2.30% of GDP). Given that procurement spending in the UK is 60% higher than in France, the declared French objective of catching up with Great Britain will be difficult to achieve, particularly because the latter has also decided to increase its defense budget.

### **“Pas d'argent, pas de Suisses!”<sup>6</sup>**

Responding to the challenges from both a more threatening environment and the British will require dramatic changes in French defense policy. During his first term, President Chirac began a far-reaching reorganization of French armed forces, moving them away from conscription to an all-volunteer force. However, this painful and costly process was not accompanied by any significant increase in defense spending. In fact the reverse was true: defense spending fell by 20% during the nineties, procurement hitting a low for the decade of 10 billion Euros in 1998. This decline resulted in crippled readiness and wide delays in procurement, to the point where most big-ticket programs had their target numbers cut and their deployment dates delayed by 5 or even 10 years.

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<sup>3</sup> See President Chirac's interview (July 14, 2002) at <http://www.elysee.fr>.

<sup>4</sup> See Rassemblement pour la République, *La France et sa défense: restaurer la confiance*, December 2001 at <http://www.rpr.org/pdf/defense.pdf>.

<sup>5</sup> Without taking into account the *Gendarmerie* budget—the Gendarmes are part of the military personnel, but they perform almost exclusively domestic, constabulary tasks.

<sup>6</sup> Old saying from 16<sup>th</sup>-century French kings: “No money, no Swiss mercenaries.”

In retrospect, this deterioration in French defense capabilities during the 1990's does not seem surprising. For the first time in over a century, France faced no immediate threat to its security and territorial integrity. During the same period, moreover, the country had to tackle many pressing domestic issues: the creation of the Euro, a welfare system in need of reform, and low economic growth. Defense spending was therefore sharply cut as the only "fat" available. Numerous operational deployments abroad only made the situation worse, as the O&M ("Operations and Maintenance") part of the budget ate up the procurement part. Since 1995, the procurement budget has accumulated delays and overdue payments that together represent more than 10 billions Euros—nearly the equivalent of one full year of procurement. Absent the increases put in place by the Raffarin government, the only way to avoid a "defense train wreck" would have been to cut one and possibly several major programs, most likely beginning with the *Rafale* multi-role fighter.

Accordingly, defense spending was increased a first time in July 2002 by a supplemental of 910 million Euros for fiscal year 2002. Most of the increase went to maintenance, spare parts, and ammunition. After seven years of reduced spending and increased operational tempo, the O&M badly needed an increase and was logically regarded as a priority: before the summer, half of the helicopter fleet was grounded, as well as 40% of the aircraft, and almost half of the navy's ships were considered unfit for sailing.<sup>7</sup> As a result, even the limited French participation in Operation Enduring Freedom in Afghanistan proved a challenge.

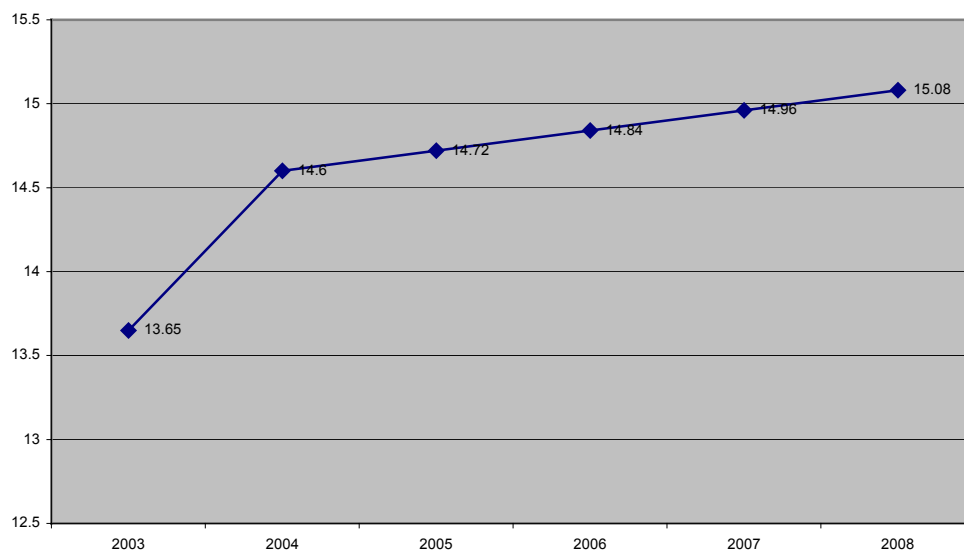
While continuing to provide adequate funding for readiness and even anticipating selective military pay raises, the new LPM is also geared toward procurement. As Defense Minister Michèle Alliot-Marie declared, the three priorities are to "re-establish the availability of equipment, modernize France's arsenal and consolidate the all-volunteer force."<sup>8</sup> More specifically, it aims to redress the imbalances of past years, ultimately allowing the implementation of the *2015 Military Model*. Overall, 88.9 billion Euros (in current Euros) should go to procurement over the period 2003-2008, or an average of 14.6 billion Euros per annum, which represents a 6% (5.5 billion) total increase compared to what had been planned before the elections. Combined with the expanded funding made available for readiness with the 2002 supplemental budget, and maintained in the new *LPM*, this augmented procurement budget fits in an overall defense budget that should cross again the threshold of 2% of GDP. In 2003 alone, spending is increased by an overall 7.5%, with procurement jumping by 11.2%. Given the sums involved and France's precarious budgetary position, this increase represents a significant effort by any account.

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<sup>7</sup> All this, including figures, is officially acknowledged in the *Projet de Loi de Finances 2003* (PLF or Authorization Defense Bill). See <http://www.defense.gouv.fr/air/actu/lesactus/an02/oct/projetlfi/projetlfi.html>.

<sup>8</sup> In French official parlance, "to modernize" means either to upgrade aging weapons systems or to procure new ones.

**French Defense Procurement Budget as projected in the new LPM  
(billions of current Euros)**



### **Operational and Budgetary Assessment: “Between a Rock and a Hard Place”**

Given its ambitious scope, the new LPM warrants a candid assessment, in both its operational and budgetary dimensions. As has been the case for several years, the LPM is organized along eight broad categories known as “forces systems” (or “strategic functions”): deterrence, command, control, and intelligence (C3I), projection and mobility, deep strikes, ground operations, naval operations, aerospace operations, and readiness—the latter comprising maintenance, personnel issues, and training. While each of these strategic areas will benefit to varying degrees from this fresh input of money, “deep strikes” and “C3I” are clearly given priority. The emphasis put on Special Forces (e.g. 10 *Cougar Mk2* low-observability, all-weather helicopters will be procured), precision munitions, deployability (e.g. *A 400-M* transport aircraft, refueling aircraft, landing ships, and the renovation of 24 *Cougar* and 45 *Puma* helicopters), and reconnaissance assets (e.g. unmanned aerial vehicles and satellites) is quite telling in that respect.

Other European countries are being called upon to stick to their promises and to step up their participation or join ongoing French projects in the fields of strategic transport, air-to-air missiles or space reconnaissance, as in the explicit reference to the *A 400-M* heavy transport aircraft awaiting German budgetary decisions, the *Meteor* air-to-air missile, and the *Helios II* and *Syracuse III* satellites (reconnaissance and communications). On the other hand, purely national programs are also funded: the first *VBCI* (Armored Infantry Combat Vehicle) is to be delivered in 2006, the first *Apache* air-to-ground cruise missiles should be operational this winter and will equip the *Mirage 2000-D* fighter, and later *SCALP-EG* cruise missiles will be installed on *Mirage* and *Rafale* aircraft. Spending for strategic nuclear forces will be kept at current levels,

about 17% of the procurement budget. That spending will include testing by computer-assisted simulation, the *M51* Submarine Launched Ballistic Missile (SLBM), the building of a fourth nuclear-powered *Le Triomphant*-class strategic submarine, and the nuclear-tipped *ASMP-A* air-to-ground missile.

As is readily apparent, the bulk of the effort, financially speaking, will go to the completion of big-ticket systems inherited from the Cold War era. Modernizing French defense is made that much harder, because the systems started before the end of the Cold War, such as the *Rafale* multi-role fighter, the *NH-90* and *Tiger* helicopters, the *Horizon* frigate, the last *Leclerc* Main Battle Tanks, and the *M-51* SLBM missile, have to be absorbed along with current demands. Not all these “legacy” programs meet today’s requirements, at least in their present form.

French defense will also remain fragile when undertaking certain types of operations, because it relies on a few major systems whose financial and operational viability is questionable in the long run. The project of a second carrier is a case in point. President Chirac and Defense Minister Alliot-Marie have announced cautious support for it, and 600 million Euros have been earmarked in the LPM, yet no final decision has really been taken, as the government still hopes to team up with Great Britain, which has plans to deploy two 50,000 tons carriers in 2012 and 2015. However, the UK has chosen non-nuclear propulsion systems for the carrier and recently announced its decision to equip the carriers with Vertical Takeoff and Landing (VSTOL) aircraft. These elements, combined with differences in shipbuilding philosophies and somewhat divergent operational concepts, seem all but to preclude a joint venture. Even if the projected levels of spending are achieved, it is still not clear whether that will be enough for the ship and its accompanying naval group. This shortfall may occur despite the intention to have the same naval air wing shift from one carrier to the other to preserve a constant presence at sea at lower cost. It might have been strategically and financially sounder to build a couple of guided-missile submarines (SSGNs), or convert an old ballistic missile submarine, so as to get an assured deep-strike capability in an anti-access environment.<sup>9</sup>

In sum, France is still bent on preserving its strategic independence by funding, for example, nuclear forces and satellites while simultaneously catching up with the conventional innovations of the nineties and adapting its armed forces to the current context. Meeting those three competing sets of demands is a considerable challenge, especially in light of average defense budgets in Europe. While the jury is still out on whether that effort can succeed, in the mean time, French forces will remain “hollow” or limited in some respects (e.g. strategic reach and real-time intelligence) for the next several years. Even according to plan, it is only around 2010 that the full spectrum of capabilities envisioned in the *2015 Military Model* would begin to become available. The continuing hollow state of the French military makes the new *LPM* and its budgetary viability all the more crucial.

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<sup>9</sup> The *LPM* does indeed plan to purchase naval cruise missiles (*SCALP Naval*), but they will not be ordered until 2006 and will not be delivered until 2011.

## Future Budgetary Realities

In the long run, many variables will impact the viability of the programmed defense budget. The Raffarin government finds itself in a Reagan-like (or George W. Bush-like) situation. Tax cuts (5% this year, supposedly 30% in the next five years) will eat up a significant part of the budget, and domestic spending will remain high, given the various entitlement programs and the promises made during the campaign in terms of spending on domestic security. Moreover, European Union constraints make it theoretically impossible for the deficit to go over 3% of GDP, and Brussels requires every EU government to aim at a balanced budget, in 2004 if possible, in 2006 otherwise.

Domestic politics could also prove a problem. Defense Minister Alliot-Marie will need constant support from the President to defend her budget against other ministries at the Prime Minister's office where budgetary decisions are taken and at "Bercy," the Finance Ministry, where they are prepared. It is not clear whether President Chirac's resolve will be enough to protect the stated ambition of redressing the situation in the 2003–2008 timeframe. Crises that require French military participation might also negatively impact France's financial position.

Ultimately, the growth performance of the French economy will determine whether the objectives defined in the *LPM* will be met. If average growth remains sluggish (under 2.5%), there is a significant risk that the defense effort will slow down after 2003. EU requirements regarding balanced budgets in the Euro zone could also become a major factor if France's partners adamantly reject the "European nature" of these defense investments and are determined to enforce budgetary rigor. Were these bleak hypotheses to materialize, it would prove impossible to redress the imbalance created in the past seven years. Absent major, and politically difficult, changes in force structure, France would then be back to the "business as usual" of the 1990s in which the launch of an ambitious *LPM* is followed by drastic budgetary reductions that translate into delays of procurement and shortfalls in readiness.

On the other hand, the competition for political-military leadership in Europe should be regarded as favoring the continuation of French budgetary efforts. The traditional foreign policy favored by President Chirac and his foreign minister Dominique de Villepin, faced with the British challenge, simply will not be sustainable without a credible military component. Interestingly enough, the most significant increases of the defense budget are scheduled for 2003 and 2004, i.e. as soon as possible, probably so as to make a policy reversal in the event of increased financial constraints more difficult to implement. In this regard, French national economic performance in the coming years, as well as some measure of help from French partners—for example, European comprehension vis-à-vis French budgetary laxness, or U.S. technological cooperation—will in all likelihood be crucial to fulfillment of French defense plans.