



Interview given by M. Jacques CHIRAC, President of the Republic, to the Italian "Corriere della Sera" newspaper (excerpts)

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FRANCO-ITALIAN ECONOMIC COOPERATION

Q. During their official meetings, France and Italy stress their fraternity. Yet it's still sometimes difficult to establish deeper collaboration between our two countries, particularly in the economic sphere. Can you tell us in which areas you are hoping for developments at today's summit? The "competitiveness centres" concept, which you initiated, is very well thought of in Italy. Can the Lucques summit be the opportunity for establishing bilateral cooperation on industrial and advanced research centres or in a specific pilot sector?

THE PRESIDENT For the French, Italy is in a sense the European partner closest to their hearts. Italian inspiration is everywhere in France and this goes back a long way: our two countries have a history built up of exchanges and very intermingled cultures, which makes our relations in every area exceptionally substantial. Our two economies are interdependent. We are both founder members of the European Union and, in this respect, we shoulder a special responsibility. France and Italy are also two Mediterranean powers which are very sympathetic to the idea of solidarity between the two shores of our common sea.

Admittedly, these past few years, because of various circumstances, relations between our two governments haven't been as substantial or productive as might have been wished. Judging by my first contacts with Prime Minister Prodi – a long-standing friend and partner! – things are changing and the Lucques summit is the opportunity to give a new boost to our cooperation.

You are right to bring up the themes of innovation and research, since they are absolutely essential to the future of our countries and Europe. A few months ago, I proposed that links be established between France's "competitiveness



centres" and Italy's "technological districts". I am pleased that the Italian government agrees with this idea. This cooperation will be facilitated by the presence of Mr Pasquale Pistorio, Vice-Chairman of the Italian employers' association, on the Board of the French Industrial Innovation Agency.

GDF-SUEZ/FRANCO-ITALIAN TRADE/ENERGY

Q. In Italy, there was a strong feeling that, with the GDF-Suez merger, France was engaged in "economic patriotism", making the presence in France of foreign companies difficult. How do you think these difficulties can be overcome? Can the entry into the French market of a solid and reliable partner such as Enel call into question your concept of "economic patriotism"?

THE PRESIDENT Reality must not be confused with certain perceptions.

People are insufficiently aware that France is Italy's second most important economic partner, that there's over 20 billion of Italian investment in France and roughly the same amount of French investment in Italy, and that Italy has a trade surplus with France of around 1 billion!

France has an economy which is open to the world, in which foreign companies, and particularly Italian ones, are very active.

As regards energy, we want to establish a genuine European strategy. From this point of view, the merger between GDF and Suez is a project which makes industrial and strategic sense. The aim is to create a world-scale European champion, with due regard for Community law, as the Commission has recognized. To pick up on your expression, I'd say that the aim is to promote "European economic patriotism". For the rest, it's for firms to decide what is best for the future of their businesses.

SOCIAL MODEL

Q. All the major European economies, like Italy, France and Germany, are having to face up to problems of public spending and structural reform. The "welfare state" is being called into question, but the attempts to reform are arousing what are at times anti-European protest movements. How is France going to modernize while safeguarding her "social model" in a European dimension?

THE PRESIDENT The "European social model" is perfectly tailored to globalization since people aren't efficient, innovative or creative if they don't enjoy sufficient protection against life's risks - sickness, work-place accidents, old age and dependency. Yet innovation is the major asset in today's world. But that presupposes that our social protection systems continually adapt and modernize.

Contrary to what is heard in various quarters, these reforms are being carried out everywhere in Europe. They are perfectly successful when they are explained, developed as part of the social dialogue, and fair. We have shown



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this in France, for instance, with the pension reform, which guarantees that the system stays balanced until 2020, while granting new rights to employees who started working at a very young age.

We are doing all this with the constant concern to ensure good management of public finances. For the past four years, State spending has been stable. This year, it's even going to go down in volume. France is one of the first countries to come out of the excessive deficit procedure. We're going clearly below the 3% threshold. I also wanted to reduce government debt: - 3% of GDP in two years.

"DECLINISM"

Q. Several leading French figures, also belonging to your "political family", are lamenting a decline of France, blaming unemployment, loss of competitiveness and society's crisis of confidence. How do you explain this trend towards "declinism" and why don't you share that view?

THE PRESIDENT If people had listened to those who, for years, not to say centuries, have lamented France's decline... The country is up and running and making its presence felt! Personally, I always go back to the real facts.

These are that in France since the beginning of 2005 unemployment has been falling month after month: we have 350,000 fewer unemployed. This fall is seen in every category of the population, from young people to the long-term unemployed. It stems from the dynamism of our businesses which have regained all their confidence in the future and are taking on new employees.

Furthermore, I think some figures pretty well speak for themselves: France is the world's sixth-largest world economic power. She is the fifth-largest exporter, fourth-largest country for inward investment, third-largest exporter of services, second-largest country for the export of agrifoodstuff products and has the second highest hour productivity rate. And all this with 1% of the world's population.

Achieving this position in the world hasn't been effortless. It's the fruit of the endeavours of the French, of their ability to adapt, their taste for innovation and spirit of enterprise. The fruit too of their curiosity about the future and technological progress. Look for example at the remarkable success with the French of all the latest innovations in communications, a key sector for the future if ever there was one.

ROME TREATY 50TH ANNIVERSARY

Q. In March the 50th anniversary of the Treaty of Rome will be celebrated and a new Declaration for Europe adopted. After the French and Dutch "no" in the referenda on the European Constitutional Treaty, do you think that France can still play a leading role in relaunching the European project? What are France's priorities in this respect?



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THE PRESIDENT The 50th anniversary of the Treaty of Rome is an important milestone for the EU. The 27 are expected to adopt an ambitious political declaration. Like Italy, we're keen for it to be geared to the future, to the major challenges our continent has to take up in the globalized economy. We are going to work on this with the forthcoming German presidency.

The young are Europe's future. This is why I think hosting a "Youth Summit" in Rome in March 2007 is an excellent initiative. This summit will allow young Europeans to share experiences. Above all, over the next few years I'd like to see a significant increase in the money devoted to the Erasmus university exchange programme, which is a very great success.

I'd also like to pay tribute to President Napolitano who is organizing in spring 2007 at the Quirinale Palace an exhibition of member States' masterpieces. Because the EU is also and is still a cultural ambition. France will present a major work, Rodin's Thinker, illustrating the artist's genius.

LEBANON/EU INITIATIVE/ISRAELI-PALESTINIAN CONFLICT

Q. The reinforced UNIFIL is now operational in Lebanon, thanks in particular to the contributions of Italy and France. Can the fact that Paris and Rome have taken responsibility in this way enable Europe to play a more decisively influential role in the region? And, in your view, can UNIFIL really use force and thus respond to any future violations of the truce?

THE PRESIDENT Throughout this summer's crisis I have greatly appreciated the very great closeness between Italy and France and my ongoing dialogue with Prime Minister Prodi. Our two countries have been in the front line in pressing for the return to peace, and respect of Lebanon's sovereignty and territorial integrity.

France has insisted on UNIFIL having a clear mandate and command chain, robust rules of engagement and substantial capabilities. These were, and in my view remain, the conditions for the Force's credibility and thus of its ability to carry out its missions. We won the case and so France, like Italy, has been able to commit substantial capabilities on the ground. If you add to these the Spanish contingent and Germany naval deployment, the European countries today form the backbone of UNIFIL. It has the means to carry out the mission the Security Council has entrusted to it.

I very much welcome this European commitment. It confirms that Europe does not just provide funds and that, in that part of the world to which it is so close, Europe has the will and ability to play a leading political role. This is why, in the same spirit, we are looking with Italy and Spain at the idea of a European Union initiative on the Israeli-Palestinian conflict. Mr Solana is with us on this, and the initiative is to be extended to include contributions from the United Kingdom and Germany.

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IRAQ/US

Q. The war in Iraq created divisions in Europe and misunderstandings between France and Italy. The disaster triggered by the conflict today shows that France was right. Yet several observers, even French ones, are saying that the division between Paris and Washington could have been avoided. How do you feel about this today? Do you think the misunderstanding between France and the United States has been overcome and that the crisis in Lebanon confirms the necessity of a multilateral approach to international crises?

THE PRESIDENT Everyone remembers that France, with other countries, had concerns about the legality and appropriateness of a military intervention in Iraq. I feared the devastating consequences of a war in a region already wracked by instability. Faced with Saddam Hussein's regime, I thought that only collective action by the international community could provide legitimacy and be effective. I acted accordingly and faced up to my responsibilities. Today everyone can judge for themselves.

The United States has returned to her traditional level of cooperation between allies, as our cooperation in the multinational fora, particularly at the UN, clearly demonstrates.

Today in Iraq we have the same objective: to find for that country a way out of the chaos it risks being caught up in, give its people back the peace, stability and prosperity they aspire to. We have to work in priority with other countries in the region to ensure respect for Iraq's territorial integrity and restoration of her full sovereignty.

IMMIGRATION/DEVELOPMENT AID

Q. Immigration is one of the European Union's main problems. In some countries it is reaching dramatic levels, particularly in Italy and Spain. What immigration policy do you envisage for France and what efforts is France ready to make to harmonize immigration policy in Europe?

THE PRESIDENT Every country has to be able to choose its migration policy in the light of its needs, traditions and ties of solidarity. But in the modern world, with the rise in migration resulting from demographic and economic imbalances and the territorial continuity coming from the Schengen Area, Europe obviously needs to play a role. This is why Mr Prodi, Mr Zapatero and I wrote to the Finnish Presidency on 25 September to ask for Europe's mobilization in the face of the urgent immigration situation. This will be one of the main issues at the December European Council.

The time has come for the European Union to define a European immigration policy. It will have to harmonize practices on the right of asylum, in line of course with the Geneva Convention, step up border surveillance and the fight against the Mafia-like illegal immigration networks which are one of the scandals of our time, and set common guidelines on regularizing the status of



illegal immigrants. On this last point, I think every member country in the Schengen system must, at the very least, involve the others in its decisions, given their repercussions on everyone.

This European policy, based on the pooling of member States' capabilities should be based upon two principles: not only, of course, on the necessary security of the European Union's external borders, but also on the imperative of ensuring a humane treatment of the issue.

I might add that in the long term there can't be any credible policy without a huge increase in development aid for the countries of the South. Africans aren't leaving their countries for pleasure. They are leaving them because they can't get a decent life there. So economic growth must be speeded up in Africa. For Europe, this is as much a security imperative as a moral duty.

PRESIDENT CHIRAC'S POLITICAL CAREER

Q. In your political career, in your seven-year and five-year terms of office, what have been your most intense, most moving, most interesting memories of your political action either abroad or in France? The moments which touched you the most.

THE PRESIDENT The moment which touched me the most is, of course, the moment when the French expressed their confidence in my ability to promote the Republic's values.

At international level, it's the recognition of a reality which has to be grasped, but not everyone has yet accepted: economic globalization is inconceivable without the globalization of solidarity. Economic globalization results in increasing wealth being concentrated in the hands of an ever-smaller number of people in the world at a time when, given population growth, more and more people are getting the smallest share of it. We can't go on like this.

AFRICA/INNOVATIVE DEVELOPMENT AID

Let me take a simple example of particular concern to the Mediterranean countries, Italy, France and Spain: Africa.

Africa has 900 million inhabitants of whom 350 million are under 15 years of age. In 2040 there will be 1.9 billion. With climate warming, there is less cultivable land, deserts are growing. So what are we going to do? The sole response to the risk of the system exploding is to give the Africans, the poor countries, infrastructures, education, health and the wherewithal for economic development.

Q. But that's at the heart of your action.

THE PRESIDENT Absolutely at its heart. To do this, the rich States' budgets obviously won't be enough. They will say it's necessary and they won't do it.



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Look where we are with the Millennium Development Goal commitments.

Consequently, we have to find other means to finance development: finance which can be in addition to State budgets, i.e. some form of other of a tax on wealth, the substantial annual increase in international wealth and international trade. This is what France is campaigning for.

Q. Is this why one of your biographers says you are a right-wing man with a left-wing heart?

THE PRESIDENT It isn't a matter of right or left. It's a moral question: the way globalization is working now, the way the rich are imposing it, is incompatible with my idea of global morality.

Secondly, at the very least, it's in our political interest. The system is going to end up exploding if we don't react. Taken to excess, any system is bad: communism, excessive liberalism, it doesn't work.