PARIS/BERLIN/WASHINGTON — In a two-hour address at the University of La Sorbonne in Paris two days after Angela Merkel won her fourth term as German chancellor, Emmanuel Macron presented his “Initiative for a United, Sovereign and Democratic Europe.” Following a first speech in Athens earlier in the month, the French president further developed his ideas about the refoundation of the European project.

The speech had a domestic purpose: it enabled him to elevate the public debate to long-term, European issues while his government is currently facing growing opposition movements against the reform of the French labor code. But more importantly, Macron’s target audience was Germany. It is no coincidence that the French media has been particularly attentive to the “German reactions” to the speech since Wednesday: despite its European tone, the speech called for a response from the new German majority. Indeed, in the long list of topics, Macron avoided any form of prioritization. The most contentious issues

When Macron came to power in May 2017, the state of the Franco-German relationship was the embodiment of the general sense of international decline that had characterized French politics in recent years. Elected with a message of assertive optimism, the French president has made a priority of reclaiming a leadership role for France in Europe, and promoting a more balanced relationship with Berlin. The Sorbonne’s speech was meant to offer a coherent vision and a series of concrete projects, and force the German leadership to take a position.

Macron’s vision for Europe is about getting rid of all inhibitions: multispeed already exists, and should be embraced when it is efficient; the French and German taboos — changing the treaties, reforming the Common Agricultural Policy, moving toward a transfer union – should be overcome. Disengagement from the United States is inevitable and should be anticipated. His ambition is to talk about everything, even the most controversial topics – “I have no red line” – and expects his partners to have the same spirit.

Yet, despite the apparent bluntness of its proposals, the address was also careful, designed not to exacerbate tensions with Angela Merkel and her future government. Indeed, in the long list of topics, Macron avoided any form of prioritization. The most contentious issues
for Berlin, the fiscal and social convergences and the 
reform of the eurozone, are mixed into a much larger 
package of ideas for the European project that find 
more favor in Berlin.

By laying his cards on the table, Macron has taken the 
initiative and the spotlight is now on Germany. The 
proposal to sign a new Elysée Treaty in January 2018 
gives a more precise deadline to the German reaction, 
though complicated coalition negotiations in Berlin 
may mean that a new German government will only 
take office towards the end of 2017. French leadership 
knows that a grand bargain with Berlin is unrealistic — 
especially since the elections — but Paris still hopes to 
move Berlin toward meaningful compromises sooner 
than expected.

Angela Merkel seems to have read that signal clearly, 
calling Macron’s speech a “good impetus.” She also saw 
in the speech “a good foundation” for Franco-German 
cooperation. But of course, before she can start to 
work on Europe with Macron, she first needs to build 
a government at home.

The coalition building between Merkel’s Christian 
Democrats (CDU), the CDU Bavarian sister party the 
Christian Socialists (CSU), the Green party and the 
Liberals (FDP) is no easy task, not least because of stark 
divides over eurozone politics. One potential partner, 
Green party co-leader Cem Özdemir, endorsed 
Macron’s vision even more strongly, saying its time to 
“take Macron’s outstretched hand” and move forward. 
But that’s only two out of four.

Common ground between Macron and the FDP and 
the CSU (as well as other conservatives in Merkel’s 
CDU) will be harder to find. Anything resembling a 
transfer union -- and Macron’s eurozone budget does 
-- is opposed by the FDP and many in the CDU/CSU. 
Prominent CSU member Joachim Herrmann said he 
was “very, very skeptical” about Macron’s financial 
policies and the FDP vice-chair accused Macron of 
wanting Germany to “pay for everything.” Any steps 
towards increased risk-sharing are thus likely only 
possible at all, if the credibility of the “no-bailout” — 
clause, a major concern for the German side, can be 
restored at the same time.

Though major euro area reform will be difficult to 
achieve, these parties could find overlap with some 
of Macron’s other suggestions, including on defense 
and security, corporate tax alignment, and a common 
Asylum system. Thus perhaps enough compromises 
can be found to propel the partnership — and the 
European project — forward. It would be a significant 
boost for the Union to prove it can work together and 
actually solve some of its challenges, especially a salient 
issue like asylum. Success stories will be necessary 
to counter the anti-EU narratives of Eurosceptic 
parties who have been on the rise across Europe. The 
appearance of a strong, and balanced, partnership 
between Paris and Berlin is also reinvigorating, and a 
boon to both governments at home.

Reestablishing the Franco-German engine is also seen 
as a key necessity by many observers outside the EU. 
Though president Trump may not be focused on the 
details of European reform efforts, Washington and 
financial markets in New York have long hoped for a 
more stable eurozone. At the same time, the experience 
of Europe muddling through and Germany holding a 
hard line over the last years, has left most American 
Europe watchers skeptical regarding the prospects 
of major euro area reform. Still, there is hope for 
incremental progress and thus a stabilized eurozone 
going forward.

But is that enough? Without meaningful agreement on 
eurozone governance, both the coalition government 
in Berlin and the European Union will be built on a 
tectonic fault. We can wait out four more years, but if 
the plates shift, it could all collapse.