

SGI Sustainable Governance Indicators 2011

France report

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Executive Summary

France is facing a number of challenges as are many other Western societies but may not be sufficiently prepared to meet them. Problems are growing, rather than diminishing. In recent years, the public has become aware of the growing need for fundamental political, economical and social reforms; at the same time, France's "systemic" reform capacity had been repeatedly questioned. In this setting, the election of President Nicolas Sarkozy in May 2007 was seen as a possible starting point for substantial change. The new president stressed that the country needed "an intensive cure of modernization" and promised to end the reform stalemate. The new government established a list of reform programs and announced its intention to rapidly implement measures. Areas for proposed reform included education, the labor market, budget and finances, public services and the constitution. The widespread reduction of taxes, the de facto restriction of the 35-hour working week and the announced cuts of thousands of jobs in the public sector, as well as the promotion of education and research and innovation, seemed to indicate an economically liberal strategy that would have represented a serious break with the traditional French economic and social model.

After three years, not much is left of this ambitious program. Yet a closer look at Sarkozy's announcements in 2007 shows that his reform agenda was actually limited. The announced liberal reforms were more than counterbalanced with promises of new subsidies and forms of protection, interventionist policies and higher public debt. It seems that despite all his proposed changes, the president remains committed to traditional French values and retains the French attitude toward political and economic culture, which is as follows: The fundamental belief that state action is an efficient means to guide the economy and solve problems; and that the economy is not a driving force but an ancillary tool, a variable that has to submit itself to the will of political power. This overarching set of values and beliefs explains many dimensions of economic and social policies in France. First, the understanding that political will (endowed with democratic legitimacy) primes all other considerations, or in other words, that the budget is the servant of politics – a principle difficult to accommodate considering the rules of the European stability pact. This attitude is fostered by government itself, as government officials often concede to protest groups what they had previously refused in parliament. Second, it implies that citizens expect more or less everything from the state; and the ruling elites from the right to the left of the political spectrum have continuously fed these expectations by putting in

place policies beyond the budget's capacity to fund them.

The hyperactive style of the president and his tendency to monopolize governmental action have added to the impression of a fundamental "top-down" approach in French reform policy over the past three years. Such an approach is in contradiction to the president's own promise of enhanced social consultation. What's more, it also does not help to address structural issues, which include in general a weak civil society; the weak bargaining capacity of the unions, including their failure to see negotiations through when members reject negotiated agreements; and the persistence of radical movements in using street protests as a main instrument of political expression or participation.

Strategic Outlook

There is a real contrast between the profound changes instituted during the past 25 years in France and the image of a nation still reluctant to change, preferring to stick to old recipes of statist, dirigiste and Colbertist policies. The fact is that France has changed considerably. Decentralization has transformed the country's traditional centralism; direct state interventionism has been reduced and has made way for more indirect ways of steering the economy; privatization and the opening to foreign markets and investors have changed the economy. European integration measures (also initiated by French governments) and government policies have been the main catalysts of this transformation. However, these, often controversial, changes have not been fully realized; moreover, they have not been openly embraced by the various governments, which have preferred to maintain the illusion of a state capable of controlling the markets and steering the economy. Indeed, there has been a constant gap between real (if limited) change and immobile concepts, between liberal reforms and traditional statist discourse. European integration and globalization often were used as scapegoat concepts to explain changes in French society. The result is that these concepts are regularly accused of destroying the basis of society and the "French way of life." This is illustrated by the 2005 debate on the European constitutional treaty, finally rejected by the French as triggering a "neoliberal Europe," and by the reactions toward the international financial crisis of 2008-2009, when President Nicolas Sarkozy hailed France's state-led economic model for having better resisted the crisis than its neighbors' systems could, and claimed that "there is a place for the state in the capitalism of the 21st century."

The Sarkozy presidency since 2007 has continued along its ambiguous course, claiming change and liberalization on the one

hand, protection and tradition on the other. Sarkozy's hasty and piecemeal group of reforms was lacking an overarching set of values and political or economical choices which would have given a sense of hierarchy and direction to the many diverse reforms. Many of the proposed plans were valuable attempts to adapt the French economy and the country's regulatory framework to the requirements of an open, global economy. These changes were supposed to "liberalize" the French system but in many ways, the methods were rather illiberal. Such methods were facilitated by political institutions which fully empower the president without sufficient checks and balances. As a result, the zigzagging method of change on one day, nostalgic dirigisme on another, has not been able to move France toward the structural change it needs.

This leaves France with fundamental challenges that still require reforms, a situation which has not changed significantly in past years; the country still struggles with problems of competitiveness, of social cohesion, of state modernization and of social dialogue. Regarding competitiveness, the problem is not so much the cost of labor but a qualitative one. France suffers weaknesses in innovation capacity, market adaptability, high-grade specialization of industry, the general entrepreneurial climate and the productive structure, above all in small- and medium-sized businesses. The government should not return to the traditional, standard response of adapting top-down measures which no longer work. It should release the potential lying dormant in the country's decentralized private and public actors. The creation of regional competitiveness clusters in 2005 was a first step in this direction; it should be pursued more consistently to give local actors more freedom, more means and more responsibility. As for social cohesion, the French choice of a comprehensive public social security system for all French citizens, and the rejection of (even partial) privatization mean that substantial and permanent efforts to finance the welfare state will be necessary. This implies individual co-financing, rationalization of systems and services and new bases for financing, but also fundamental changes in public spending and the redeployment of financial resources. Last but not least, modernization of the state and the administration is one of the crucial areas dominating future reform capacity in France. The shortcomings of the French model, which relies on omnipresent state intervention, have become apparent, as have the lack of coherence of different public actors at the national, regional and local level. Hence, the comprehensive reforms of public policies begun by the Sarkozy government should be continued and considered a priority. Finally, the realization of all these reforms requires a mix of political determination, pedagogic efforts to explain the reasons for change,

and social consultations with interest groups. While it may not be easy to overcome the traditional lack of real social dialogue and the weakness of intermediate actors (associations, social partners, organized interest groups), several changes introduced since 2007 should continue to be pursued. The government should enact consultation procedures with clear rules, while pursuing a method of reinforcing social negotiations and a sense of co-responsibility in negotiating parties. In both cases, a clear definition of the roles of government and associations, a frank commitment of the government to social consultation and negotiation, and the determination to respect the results would help to change the behavior of all parties involved.

France needs more courageous policies that include clear (if unpopular) choices, more social dialogue, and a new, less personalized and discretionary style of government.

Status Index

I. Status of democracy

Electoral process

Candidacy
procedures
Score: 10

The electoral process is fair at all levels, and controls by ad hoc commissions or the judiciary ensure a smooth running of elections. There are some restrictions to assure that only serious candidates stand for the presidential election. These include a requirement that each potential candidate has to obtain 500 signatures of support from elected persons, such as mayors or senators, from a third of French “départements,” or counties, to prove his or her political relevance. In addition, candidates must pay a deposit of €15,000. But these restrictions do not limit the political pluralism of candidates. Fraud is exceptional and limited to a few places such as Corsica or overseas territories. Some limitations are also imposed on anti-constitutional parties espousing terrorist or violent means to power. Obviously these restrictions are exceptional and checked by administrative tribunals.

Media access
Score: 9

During the official electoral campaign – which starts approximately 30 days before the date of the presidential election and 20 days before the parliamentary election – the public media (radio and TV) are obliged to report on political parties and candidates in a fair and impartial way. Financial expenditures during electoral campaigns are regulated to provide all candidates with equal opportunity in campaigning; rules on the fairness of electoral campaigns are determined by independent bodies (Commission nationale du controle; Conseil supérieur de l’audiovisuel). This provides a reasonable framework, which is constantly being improved; for instance, the judiciary has recently decided that the time used by the president in the public media should be accounted as time allocated to the majority, which had not been the case up to now.

Voting and
registrations rights
Score: 9

The right to participate in elections as candidate or as a voter is fully guaranteed not only by the law but also in practice. There is no evidence of restrictions or obstruction in applying the law. Every citizen enjoys the rights provided by the constitution, including the right to abstain from voting, as it happened for instance on the occasion of the European elections in 2009 or of the regional elections in 2010. On both occasions one citizen out of two decided not to vote.

The only, but crucial, reservation is of a sociological nature. Lower class citizens or those with immigrant backgrounds – even when they are French citizens – often do not register to vote as does the average French-born citizen. They are also badly represented in political parties whose endorsement is needed for having some chance of being elected.

Party financing
Score: 7

Lacking a sufficient legal framework, party financing has been a source of recurrent scandals related to illegal practices. Nearly all parties, notably the parties of government, used to finance their activities by charging private companies working for local public entities or by taxing commercial companies requesting building permits. Only recently has a decent regulatory framework been put in place. It includes the funding of political campaigns by public resources paid according to the votes attracted by each party or candidate. The system favors large organizations to such an extent that they might have serious financial problems in the case of a major political setback. This happened to the extreme-right party National Front (Front National, or FN) after its defeat in the presidential elections in 2007, as it was forced to sell its headquarters as the partial reimbursement of its expenses did not cover the full cost of its electoral campaign. However, individual candidates are not overlooked as many elections are organized according to a single constituency system. In fact, one side effect of this legislation has been the mushrooming of candidates attracted by the possibility to voice their concerns at a low cost.

Ceilings have also been put on the maximum amount that candidates in an election can spend. In the end all candidates must present a detailed account of their spending during the campaign to an ad-hoc commission. There have been several cases of elections to be held again as initial winner was accused of overspending. Candidates might appeal the commission's decisions to the administrative courts. In the case of national or presidential elections, the control is ensured by the Constitutional Council (Conseil constitutionnel).

There is still progress to be made, however, in particular concerning the control of hidden support that elected officials may receive from local authorities. The tradition of cumulating different elective mandates is a powerful instrument of indirect support to incumbents, which discriminates against challengers.

Access to information

Media freedom
Score: 6

In principle, the independence of media from public authorities is guaranteed by a complete set of constitutional, legislative and administrative rules. There is not much more that can be done to

improve the legal status of the press.

On the other hand, there is a long tradition of government interference in the media, and many presidents and governments of the Fifth Republic have been accused of manipulating or improperly using the media. There are several channels of influence, reflecting certain structural weaknesses of the media system in France.

The perceptible dependency of the media on public authorities derives from factors such as the lack of a strong tradition of investigative journalism (leaving to a satirical weekly, *Le Canard Enchaîné*, the role of leaking information that other journalists or editors do not wish to publish in their own papers), the deferential attitude of some or the excessive partisan attitude of others. Moreover, most newspapers are facing financial difficulties. No daily newspaper could survive without the multifaceted subsidies provided by the state; however, these aids seem to be given according to objective criteria and are not linked with political pressure. Having to cope with weak resources from advertising and publicity, combined with the challenge from Internet publications, the print media are in a difficult position, making them more and more dependent on the generosity and good will of the state or from wealthy private investors. These latter are tempted to influence the line of their newspapers; moreover, they are sometimes closely linked to powerful politicians. Under President Sarkozy, several cases of intervention have occurred.

The division between the national press, which is very much embedded in the Parisian political milieu, and the local press, which usually survives by avoiding any potential conflict or polemics with local politicians, does not contribute to the strength of the printed media. In conclusion, the lack of a strong civil society and independent private media business tends to weaken the fundamentals of real independence of the media.

The situation is obviously different in television and radio, which has fewer financial concerns. The competition between the public and private sector tends to ensure a better balance of coverage and on the whole, radio and television act relatively independently. However, it is remarkable that in 2008 on the occasion of the reform of the sector, Nicolas Sarkozy reclaimed the power of directly nominating the heads of public media, a tradition that the presidents of the Fifth Republic had used in full since 1958, before the nomination power was given to an independent body in 1986.

Media pluralism is reasonably guaranteed in France. There are more than 1,800 radio stations and no fewer than six television channels with programs that reach approximately 75% of the French population. The diversity of newspapers and opinions mirrors rather

well the political diversity of the country. The weaknesses of the system are to be found in the oligopolistic ownership structure of the print press, a result of the presence of financially strong industrial groups, which own a large number of media. For these groups, investing in the media is a secure way to lose money but to gain influence. Pluralism is still alive thanks to the relative autonomy that journalists have managed to safeguard throughout negotiated agreements with the owners, but this situation is fragile.

Faced with Internet competition, rising costs and a shrinking readership, the print media have had to rely more and more on the benevolence of wealthy entrepreneurs or on the state. Given the multiple ties between political and business elites in France, this is not a particularly favorable situation for the maintenance of vibrant media pluralism.

Access to govmt.
information
Score: 7

Access to official information is provided by a law adopted in 1978 in the wake of the American Freedom of Information Act. An ad hoc commission (Commission d'Accès aux Documents Administratifs, CADA) oversees this legislation and might take a stand in case of conflict between the administration and citizens. In case of a rejection of citizens' demands, it is possible to appeal to administrative courts. Once remedies are exhausted it is still possible to put a request to the French ombudsman, or "médiateur." On the whole, access to information is made easy. However, confidential information is too often covered up by using the loose concept of "secret defense." Quite often, sensitive information is not provided through official channels but through leaks in the media and in particular, in *Le Canard Enchaîné*, a weekly newspaper which is known for printing information that public authorities would prefer to keep far from the public's eyes.

Nevertheless, the development of new technologies, such as e-government and e-administration, has increased the possibility and outlets for citizens to obtain important information. The diffusion of public statistical surveys, public reports and other documents from different public bodies has been largely facilitated by Internet sites allowing the downloading these documents without cost or restriction.

Civil rights

Civil rights
Score: 8

Civil rights were at the core of the French Revolution and since that period, the French have a strong sense of ownership about "their" rights. Nonetheless, the somewhat dependent position of the judiciary vis-à-vis the executive has too often impeded the full protection of rights. The separation of powers between the executive and the judiciary has never been fully implemented in France. In spite of

recent improvements, the executive and the police are often treated better by the courts than are ordinary citizens. This has been a permanent source of conflict and frustration, particularly with “second-generation” migrants who are technically French citizens but sometimes are still considered and treated as foreigners.

Political liberties
Score: 9

The sensitivity of public opinion to any infringement of political liberties or attempts to limit them is such that their violation would provoke popular outrage. Freedom of opinion, freedom of speech and freedom of protest are perceived as vital by the people. However, it is important to underline that some measures which are supported by a vast majority of the population, such as the ban of the Islamic headscarf at school, would be considered as an infringement on political liberties in some other legal systems or cultures.

Non-discrimination
Score: 6

In principle, any discrimination based on gender, race, ethnic origin, religion and so on is banned by the constitution and fundamental principles of law. The principle of equality and the refusal to admit specificities of certain community minorities goes as far as excluding positive discrimination measures. For the same reasons, the attempt by parliament to authorize mild forms of ethnic or minority statistics in France has been struck down by the Constitutional Council (Conseil constitutionnel). The persisting culture of formal legal equality conflicts with real differences and inequalities. For instance, gender equality is more a dream than a hard fact. The most spectacular problem is the discrimination of immigrants. While predominantly French citizens, many immigrants face discrimination with respect to housing and work. Access to the labor market is a key issue for minority or racial groups, in particular for the younger, better-educated generation. To address these concerns, a high authority was established in 2004. It deals with individual cases and makes general recommendations. Several thousand cases are brought to this body every year.

Rule of law

Legal certainty
Score: 6

Usually public authorities act in line with the existing legal framework. However, government discretion remains high, even if France has been moving toward a “rule of law state” since the 1970s. The legal system suffers of at least two defects. First, many pieces of legislation cannot be enforced or are delayed due to the lack of implementing measures, such as government decrees or by-laws. This tactic is sometimes deliberately used by the government, in particular when active lobby groups manage to put a brake on reforms voted by parliament. Second, it is not infrequent that the executive branch’s interpretation of legislation restricts, changes or extends the meaning of the initial legislation. Interpretations might change over time

through the publication of internal directives or “circulaires” which actually become more important than the initial law. In addition, in the Fifth Republic, the supremacy of the executive allows many successive changes to be made over short periods of time.

Judicial review
Score: 9

The French judicial system is characterized by a dual structure: Civil and penal courts act under the control of the Supreme Court of Appeals (Cour de Cassation); administrative courts are headed by the Council of State (Conseil d’Etat).

Historically, civil and penal courts have acted in the shadow of the executive and their autonomy has always been a matter of concern and conflicts. On the opposite, administrative courts, in spite of being born out of the advisory councils of the ancien régime, have been able to secure little by little full independence. Since 1958, a quasi-constitutional court, the Constitutional Council (Conseil Constitutionnel), has been added to the edifice. Over the last years, this Council has seen its role extended and has gained more autonomy and impact. The last constitutional reform further increased its powers. Formerly, the Council was only entitled to check legislation immediately after its adoption at the request of the opposition, but had no possibility to examine the constitutionality of past laws. This changed with a 2008 revision: Since March 1, 2010, any citizen can raise the issue of unconstitutionality before any lower court. The request is examined by the Supreme Court of Appeals or the Council of State and might be passed to the Constitutional Council. Several dozens of requests have immediately been introduced, in particular with relation to the issue of police custody.

Appointment of
justices
Score: 5

The appointment of Justices at the Constitutional Council has often been an issue but has not yet found a proper solution. Members are nominated in a discretionary decision by the president of the Republic (who also chooses the president of the Council), and the presidents of the Senate and of the National Assembly. The former presidents of the Republic (presently Valéry Giscard d’Estaing and Jacques Chirac) are de jure members of the Council as well.

Since the last constitutional reform, the appointees are subject to a hearing by ad hoc committees in both chambers of parliament. This procedure was used for the first time in 2010, but it was a rather superficial check and a simple formality, a process which had little to do with the thorough investigations of the American Senate, for instance. The process of selection and nomination is totally discretionary and depends on the vagaries of political domination at the time of appointment. Presently, the three appointing politicians belong to the same political family, and preference has been given to active or former politicians rather than to experienced lawyers.

Today, the Council is characterized by political imbalance (domination

of the right), male domination (eight men out of nine total members) and supremacy of elderly persons (most are in their 70s). As a result, the improvements in the functioning and the competences of the Council are not matched by parallel improvements in the appointment of justices.

Corruption
prevention
Score: 5

Up to the 1990s, corruption plagued France. The problem was linked to secret party financing, because political parties are often lacking sufficient resources from member fees and/or public subsidies. On the local level corruption is a major issue, where cases linked to public purchases and the awarding of long-term concessions for local public services have occurred. Illegal payments from the firms which were favored served to obscure party financing. Spectacular cases have been revealed by judges' investigations, which ended with the imprisonment of industrial and political leaders, and were a factor for growing awareness of the issue. This has led to substantive action to establish rules both on party financing and transparency in public purchases and concessions. But once the momentum had passed, the ad hoc committees put in place to secure checks and controls lost part of their influence and authority and/or have not received the necessary means to assure their mission (for instance the control of assets detained by elected officials is rather formalistic due to the lack of human resources). Corruption is certainly much less important than it was 30 years ago, but it is still more important than in many other OECD countries, as France is only ranked 24th in Transparency International's 2009 ranking. Evidently, necessary checks are still not sufficient, in particular in areas where corruption is difficult to ascertain (for instance, in building zoning). The concept of conflict of interest still remains a vague and superficial reference, as it is not really part of the French political and administrative culture.

II. Policy-specific performance

A Economy

Economy

Economic policy
Score: 5

After his election, President Nicolas Sarkozy promoted a number of radical and immediate policy changes across the board. Recommendations were sourced from a special commission made of national and international experts headed by Jacques Attali, a former advisor of François Mitterrand. This was a serious attempt to

introduce long-awaited reforms potentially capable of fostering France's international competitiveness. The targets were correct, but the reform process was negatively affected by several issues, including a lack of political pedagogy, a lack of prioritization, an unequal distribution of costs and benefits and a somewhat superficial, or badly designed, set of reforms.

Many reforms have been adopted but the magnitude and depth of change has been rather modest, not least due to the global economic crisis. Far from diminishing, the role of the state in the economy has increased; public debt and unemployment have reached highs while the country's trade balance and its industrial basis have deteriorated. Reforms were urgently needed, but the way they were implemented and the timing overall has largely compromised their potential beneficial effects. The presidential impetus was initially decisive and has permitted the government to adopt many reforms, but the general lack of priorities has blurred the perspective of, while Sarkozy's governing style has rebuffed, a growing part of the population. Too many reforms have become synonymous with irritation and punishment, a feeling which obviously does not contribute to reform success.

Labor market

Labor market policy
Score: 5

Despite high overall spending and an impressive number of measures, labor market policy has shown rather poor results. Special problems concern youth unemployment, which is notoriously high in France; the employment rate of workers past the age of 55, one of the lowest in the OECD (38% compared to the OECD average of 51.5%); and the difficulties of (especially young) French citizens with a migrant background to integrate into the labor market.

The reasons for such failure are many and complex. The French job-training system relies heavily on public schools, yet diplomas from such training are not really accepted in the industry at large, which hinders a potential worker's transition from school to a job. As for senior workers, a retirement age set at 60 and various early retirement schemes have led to the present situation. Heavy labor market regulation is another issue. All successive governments have added new layers of regulations and employment programs, with the result of creating a costly, highly complex system. According to the OECD index on employment protection, the French labor market is one of the most strictly regulated in the OECD.

The new government under Prime Minister François Fillon (since 2007) set out with the promise to break with old policies. Putting forward the value of work and individual effort alongside workfare

arguments (“work more to gain more”), it promised to render the labor market more flexible, reduce regulations and improve incentives for jobless citizens to actively seek employment. Three years later, only few reforms have been realized. Public employment services have been reorganized by the creation of a unified labor service center, destined to have a more “activating” policy toward recipients of unemployment benefits. A special social benefit was created which offers complementary benefits to the unemployed who return to (often badly paid) work. As for the abolishment of the 35-hour work week, which played a major role in Nicolas Sarkozy’s 2007 presidential campaign, the new regulation does not really affect the law of former Prime Minister Lionel Jospin. A 35-hour week is still in effect, but the government added new freedoms to work longer, with heavy (and highly expensive) incentives, such as tax-free surplus wages for hours worked above 35 and discounts in social security taxes paid by the employer. Finally, the president has abandoned the promise to simplify or soften labor market regulations.

Enterprises

Enterprise policy
Score: 5

There is no lack of initiatives, fiscal or financial incentives, and regulatory frameworks put in place by successive governments to support innovation and entrepreneurship. The problem is rather the jungle of policy instruments put in place by the national government but also by regions, provinces or even communes. Some have barely any impact except contributing to red tape while others have been extremely successful, at least at first glance. This is illustrated by the case of the newly created statute of self-employed persons (statut de l’auto-entrepreneur) which allows individuals to set up easily a small, independent business. Not only employed people but also pensioners, civil servants or young students can create a small business. No taxes are paid until a minimum of financial revenue has been secured. In less than one year, 600,000 people have established such new “start-ups.” But most of them have no capital. In many ways, it is telling example of the challenging economic situation of individuals, many of whom use this opportunity as a kind of last-resort solution. But at the same time, this framework can allow the blossoming of new initiatives and the emergence of independent activities. If it fails, the costs are practically none while it can be expected that from so many grassroots initiatives, some successful ventures might emerge.

Research and development is mainly concentrated within few large multinational companies.

The fiscal incentives put in place by the Fillon government have been

widely used, but it is too early to assess their real impact. On the whole, the present government has been favorable to measures capable of contributing to the improvement of competitiveness. The decision taken in 2007 not to tax additional hours worked by employees or the scrapping of the unpopular local business tax (taxe professionnelle) paid by companies at the local level can be judged from that viewpoint. Nonetheless, the French statutory corporate tax rate is still one of the highest in the OECD.

Giving incentives to consumers to encourage them to hire proper contractors rather than rely on the informal market by lowering VAT has also been a positive move that has been highly valued by small businesses. However, the lowering of VAT from 17.9% to 5.5% in the restaurant industry had little effect on both employment and prices. It is considered rather as a windfall benefit for the industry and a costly move for the budget (a loss of €3.5 billion). Other measures, such as the possibility to pay less wealth tax by investing in medium-size companies or by financing research in lieu of paying the wealth tax have also been perceived positively but are likely to have only moderate effects.

Taxes

Tax policy
Score: 5

Taxes and social contributions amount to 47.3% of French GDP, one of the highest levels within the OECD, but public spending is even higher (52.5% of GDP in 2008). These are the consequences of extraordinarily generous political and budgetary commitments taken without any consideration of the country's actual fiscal capacity.

To alleviate part of the financial pressure, the central government has en masse transferred public investments to local and regional governments as well as social expenditures without, however, compensating properly for these additional costs. Local governments have chosen to increase taxation sometimes by double-digits; in any case such a jump has been much higher than inflation rates. This factor, combined with a narrow income tax base and a wide range of fiscal niches and exemptions, makes the French fiscal system opaque, confusing and not very equitable. The entire system needs overhaul but the political cost would be such that most governments have preferred a policy of constant and somewhat incoherent adjustments rather than well-thought out reform to span over a number of years. The tax measures of the Fillon government instituted the following principles in 2007: cuts to income, inheritance and wealth taxes; plus a general clause that limits individual tax contributions to 50% of income. Specific measures (reduction of VAT paid by restaurants; tax reductions for individuals pursuing artisan

professions) and the scheduled abolishment of the local business tax (which will need financial compensation for local governments) add to the impression that tax policy continues to follow short-term political, or clientelistic, aims.

Budgets

Budget policy
Score: 4

The present budgetary situation is unsustainable in the long run. In recent years, budgetary policy has suffered from the absence of a reorientation of public expenditure. Over the last years, the political elite, with the support of the voters, has made the implicit choice of shifting present costs to future generations. As a result, all indicators are in the red: the public deficit, the public debt, the social security deficit and the pension systems. When he came to power, President Nicolas Sarkozy, while engaging some structural reforms (e.g., cuts in the number of state employees) which should reduce public expenditure in the long run, was opposed to all forms of “austerity” and promised to meet debt problems with more economic growth rather than with less expenditure. Faced with the effects of the economic crisis of 2008-2009 and with growing deficits in social security (mainly pensions and the health system), which have led to a public deficit of 8.2% of GDP in 2009 (significantly above the OECD average), the government is forced to cut public spending and/or raise taxes but has no clear strategy so far. Therefore, its commitment to reduce the deficit to 3% of GDP by 2013 is met with skepticism by most experts.

B Social affairs

Health care

Health policy
Score: 7

France has a high-quality health system, which is also largely inclusive. Since its establishment, it has remained a public system based on a compulsory, uniform insurance for all French citizens, with employers' and employees' contributions calculated according to wage levels. Together with widespread complementary insurances, they cover most individual costs. About 10% of GDP is spent on health, one of the highest ratios in Europe. The problem is cost efficiency and containment of deficits (in 2009: €12 billion).

To face rising problems, the choice has been to keep the public system and not to privatize, even in part. Measures of modernization, rationalization and better efficiency of the system and the treatments on offer (e.g., hospitals) have been undertaken, as well as measures

of limited cost sharing by individuals. Since 1996, the parliament has voted on an annual expenditure target for the whole system but, in practice, this target has been exceeded regularly. The government has found it difficult to impose its targets for the evolution of expenditures, pharmaceutical prices, medical treatment and remuneration.

The current government has not put forward dynamic measures to contain the financial evolution of the health system. A measure of cost sharing for medical treatment has been announced; the idea of transferring part of the financing from social contributions (which should be cut for reasons of competitiveness) to an increased VAT has been discussed but finally was abandoned.

Social inclusion

Social inclusion
policy
Score: 6

By international and European standards, the French welfare state is very generous and covers all possible dimensions affecting the collective and individual welfare, not only of nationals but also of foreign residents and keeps poverty at a comparatively low level.

Nonetheless, the fact that very few aspects of life escape social policy coverage both at the local and national level also has drawbacks, as high benefits for a long period of time create negative employment incentives. The problem has been present for years in public debate and in action. The debate has mainly focused on social cohesion and on fighting social exclusion, seen as a cumulative process of material poverty and inability to take part in social and political life. This is linked to the double effect produced by social policies: on the one hand, they prevent individuals and families from falling into situations of extreme poverty; on the other, the status of quasi-permanent unemployment is a crucial factor of social exclusion and demoralization. There is a striking contrast between the considerable financial effort made by public authorities and the long-term failure to bring back the unemployed into the labor market. In 2009, the government initiated a new scheme (Revenu social d'activité) which complements low wages, giving people better incentives to go back to work, offering better coverage while trying to avoid the pitfalls and drawbacks of the former system. Its implementation is too recent to draw conclusions about its potential effects. In any case, the economic crisis has struck again the weakest groups, for example, youth and workers over the age of 55.

Families

Family policy
Score: 10

Family allowances as well as fiscal rebates for families (based on the number of children) have been in place since the 1930s. In addition to the family allowances, which form an important part of the income of small families, collective facilities (nurseries, kindergarten, infant schools, schools open in the afternoons, and canteens) have been since the 1960s widely available, allowing child care from an early age and at a low cost or even free of charge. Consequently, pre-primary education has been fostered; France shows one of the best performances in international surveys. This network of allowances and facilities, together with other parts of social security, social housing and so on, seems to successfully prevent child poverty. These policies have been very effective, contributing to a rather satisfactory demographic situation, in particular in comparison with other European countries. Such policies also have enabled women to enter the labor market, where they represent nearly half of the workforce.

Pensions

Pension policy
Score: 5

The pension system in France is composed of very different regimes, depending on their public or private status, but also according to sectors and professions. Pensions are more generous for public servants. In any case, all regimes are built up according to the “pay as you go” rule, while private pension funds barely exist. Whereas the pension system is quite generous, with the pension age fixed at 60 years, and shows a good capacity for preventing old age-poverty, it faces growing problems of long-term financial sustainability.

In spite of multiple piecemeal reforms, the pensions system will not be able to face the challenges of the future. Payments are higher than contributions, resulting in a deficit of more than €7 billion in 2009, and the situation will be even worse in 30 to 40 years when the number of pensioners will equal those of contributors. Over the past 10 years, governments have tried to introduce reforms on several fronts: an increase of contributions; an increase in the number of years of contribution, up to 42 years; and in 2008, a reduction of peculiarities or privileges granted to “special regimes.” But in parallel, young people enter the labor market late while only 38% of people over 55 are still working. Further reforms are needed. Therefore, President Sarkozy and his government have decided to come back again to this issue. A new reform bill presented in June 2010 and adopted in October 2010 increased the pension age from 60 to 62 years.

Integration

Integration policy
Score: 6

Traditionally, France has an open policy toward immigrants acquiring French nationality; every person born in France is considered French, or eligible to obtain French citizenship. This rhetoric as well as concrete policy objectives have been applied to migrants rather successfully up to the 1970s. Education, labor market policy and naturalization were the key instruments of that integration process.

In recent years, however, the model has produced more and more problems and conflicts, even if it still works for the majority of immigrants. The cultural awareness of young French citizens with north African background, together with the social phenomena of racism and discrimination, have created explosive situations, mainly in the problematic suburban zones where these populations are concentrated. Rising unemployment has hit migrant young people particularly hard; France shows a particular poor performance considering foreign-born unemployment. The declining integrative power of republican institutions, such as schools, has been illustrated by the “headscarf” conflicts (young Muslim female pupils wearing headscarves) when the authorities were torn between strict prohibition (in the name of the separation between church and state, which interdicts all religious symbols in public institutions) and a more liberal attitude (postulated by some factions of the public in the name of respecting cultural identity). Entire families have been living on welfare benefits for long periods of time while trafficking is becoming a profitable business for gangs of young people. Petty criminality has become more attractive than badly paid jobs. Those better educated have the feeling of being rejected from the labor market for ethnic or racial reasons.

Any judgment on the success or failure of integration policy is difficult. On the one hand, France has a long past (and present) record of success in integrating large groups of immigrants. It has been calculated that a quarter of the French population has at least one grandparent of foreign origin. The acquisition of nationality also testifies of that success since every year, as more than 100,000 people become French through naturalization. On the other hand, the integration of the so-called second generation (in fact, often the third!) is very difficult, resulting from many combined factors: a failure of the education system, concentration of social ghettos at the periphery of large cities, high unemployment, identity problems and so on.

C Security

External security

External security
policy
Score: 9

During the Fifth Republic, all governments including those of the left have insisted on the necessity of an autonomous security and defense policy. This attitude reached its climax in 1966 with the withdrawal of France from the NATO military command. This period ended in 2009, when France was reintegrated in NATO. A substantial budgetary effort has been made over the past 50 years to combine the build-up of a nuclear force and an intervention capacity abroad, particularly in Africa. France comes second after Greece in the European Union for the amount of resources spent on defense; its equipment sophistication is high. In addition, its security policy is based on active diplomacy and a dedicated and comprehensive (political, economic, cultural) foreign policy in world affairs. There seems to be no major exterior threat to France. More widely (and also more recently), French governments have committed themselves to protect citizens against any potential risk (natural disasters, diseases, etc.). They have gone as far as introducing the “precautionary principle” in the constitution in particular in relation to environmental issues. While there is strong social pressure in favor of such an approach, more and more voices are claiming that one has gone too far by promoting a risk-adverse society.

Internal security

Internal security
policy
Score: 7

Concern about internal security has been high in recent years. Attention has focused on repeated outbreaks of urban violence in the suburban zones or other spectacular cases. Following the increasing level of petty criminality and several terrorist attacks on French territory and abroad, citizens have been more and more vocal about the need to be better protected by enforcing “law and order” measures.

Internal security has also been an issue of partisan competition since the early 2000s. Since then, every major outcry following a serious crime, a violent protest or social disorder has triggered new legislation, new measures or new enforcement policies. The issue has remained at the top of the agenda but, for the time being, the results have been disappointing.

On the whole, domestic security policy is able to protect citizens; problems of urban violence are linked to social problems and have to

be managed by actions beyond security policy.

D Resources

Environment

Environmental
policy
Score: 6

France shows a mediocre performance with respect to environmental targets. Its good performance on CO2 emissions is due to the importance of nuclear power, whereas other fields, such as isolation, energy economies and so on, have been neglected. Although a national strategy for sustainable development was set up in 2003, environmental policies continued to be subordinated to sectoral policies which are considered as more important.

Things changed when President Sarkozy launched an ambitious plan after his election in 2007 to build consensus between various environmental stakeholders. He took major initiatives at the international, European and national level. After some initial successes, the momentum has been lost in particular after the failure of the Copenhagen summit. On the national level, a carbon tax adopted in December 2008 faced many criticisms both from consumers (supported by the left) and from the business community and farmers (supported behind the scenes by a large percentage of the majority party). The final straw was inflicted by the Constitutional Council which ruled the bill as unconstitutional for not distributing in a fair way the additional costs related to the new tax. The government first declared that a revised version would be applicable in June 2010, but following the bad results in the regional elections it declared that the carbon tax would have to be European or not at all, a way of burying its initial ambitions. This major blow has contributed to downgrade environment from the top of the agenda. The economic crisis and the meager political gains have played their role in this new assessment of priorities.

Research and innovation

Research and
innovation policy
Score: 7

France has a rather good overall performance concerning research and innovation. According to the EU Innovation Policy Report, France is ranked tenth (out of 27 EU countries) with respect to innovation capacity; as for the global innovation index, France performs above the EU average but is put in the group of “innovation followers,” behind the group of “innovation leaders.” The report says that “over the past five years, France has been above the EU average in two such dimensions: enablers i.e., the main drivers of innovation that are

external to the firm and in particular to human resources, and finance and support; outputs, specifically in terms of innovators and economic effects indicators. On the other hand, France is below the EU average in the firm activities dimension (firm investments, linkage, entrepreneurship and throughputs).” The main weaknesses are seen in a relatively low private resource mobilization for R&D, a low innovative behavior of companies, especially small- and medium-size businesses, as well as a rather weak collaboration between the private and the public sectors.

Since 2007, the government has taken several measures to facilitate and promote innovation: fiscal rebates for companies and citizens have been introduced; major projects have been financed; private funds have been mobilized through the creation of foundations; and a €30 billion public loan has been launched to support “innovative” ventures. Some procurement policies (such as the commitment by public authorities to order up to 100,000 electric cars for the use of public services or administrations) have also been put in place. In many ways the traditional French model of state support for large technological projects (Airbus, Arianespace, high speed trains, and so on) has been revamped. However, given the new environment of globalization, it remains to be seen if this traditional model can efficiently work.

Education

Education policy
Score: 6

French education is centralized and mainly state-run (however, private, mostly Catholic, schools make up approximately 20% of the total). France is rated rather well in the PISA study (tenth rank out of 30). Spending on preschool level (nearly all children from three years on attend preschools, or école maternelle) is exemplary and still above the OECD average at the primary level. Generally, the education branch transfer to professional training has been deficient. Organized by the state schools, it has lacked alternate training in cooperation with business, and diplomas are not accepted by firms. This is one of the reasons for high youth unemployment in France. However, in recent times, new formulae of joint training programs with businesses have been established and proven successful.

There is a dualism in tertiary education: between a “selective” sector (comprising some elite schools, other shorter, three-year training programs), which generally is in good financial health and the “non selective” sector (comprising mainly universities), which lacks sufficient resources. France’s performance on tertiary education spending is rather poor. The attrition rate in French universities is high. Some 40% to 50% of students (circa 90,000) leave the system

before acquiring a diploma. To make matters worse, the degrees acquired do not assure students of employment (more than half of students are still jobless one year after having left university).

University reform has been a permanent topic on the political agenda but change has been slow in coming. Education is a highly sensitive matter in France; together with corporatist attitudes this tends to inhibit reforms. The new government passed a law in 2007 leading to more autonomy and freedom for universities up to 2010, and strengthening their internal management; moreover, €39 billion has been earmarked in the legislature (2007-2012) to finance universities, and curricula should be revised to be more adaptable to the labor market. But it seems that France is only at the beginning of a profound modernization of its tertiary system.

Social inequality in access to education and qualifications is a sensitive topic. There are persisting inequalities that effectively penalize students of working-class families at the level of university degrees, and flagrantly in access to the elite schools (“grandes écoles”). Social, ethnic and territorial inequalities are very often linked (as a result of massive concentration of poor immigrant families in the suburban zones).

Management Index

I. Executive Capacity

A Steering capability

Strategic capacity

Strategic planning
Score: 5

In lieu of the overarching advisory agencies used for strategic planning in the immediate post-war era, governments now revert to special ad hoc commissions or personal advisers. This implies the danger that opportunism may prevail over real strategic planning. For instance, after his election, President Sarkozy put in place dozens of such committees, the most ambitious being the Attali committee (named after Jacques Attali, a former chief adviser of President Mitterrand), which reviewed all impediments and/or potentialities for growth in the forthcoming years. The report, published in January 2008, suggested several hundred reform measures; several of them were put in place fully or in part.

Scholarly advice
Score: 4

In contrast to some other European countries, the French government does not rely much on academics. Outstanding nongovernmental academics may be chosen to sit in the numerous national reflection councils on various policy fields (integration, education, etc.), and thus help to formulate guidelines for public action. But their influence is not comparable to what can be found in many other political settings. The high civil service tends to consider itself self-sufficient. It is only in rare occasions that the government calls in academics, either because they are close to the administrators in power or because there is no real expertise within the central administration. The council of economic advisors set up by Lionel Jospin when he was prime minister never gained strong influence on economic or budgetary policies, for instance. This situation might be explained by the tradition of intellectuals refusing to be associated with power and adopting a critical attitude vis-à-vis political authorities.

Inter-ministerial coordination

GO expertise
Score: 8

The hierarchical organization of government gives the prime minister the possibility of modifying draft bills from ministers. In important cases, or even continuously, as is the case under President Nicolas Sarkozy, this steering function is situated in the President's Office.

The prime minister appoints advisors from all ministries as policy advisors in a given sector. All ministerial domains are covered. For the time of their appointment these civil servants are accountable to the prime minister. With a smaller but powerful team, the President's Office does the same. Several hundreds of people are involved in the steering, checking, controlling and advising functions. However, quite often, the issues at stake are not technical but of a political/corporatist nature. Sometimes conflicts are triggered by substantive issues but in many instances the crucial questions are related to the division of competences and power. The Ministry of Finance is a crucial player as it gives its very powerful opinion on every matter under discussion. The main but limited exception to that Prime Minister's Office's influence is found when influential leaders of minority parties of the coalition can use their political leverage. Another exception is related to the close relationship that a minister might have with the president. In that situation, in case of conflict between the Prime Minister's Office and a line minister, a kind of appeal procedure to the president puts the prime minister in an awkward position as the president might choose to support the line minister's view over the prime minister's opinion.

GO gatekeeping
Score: 10

The prime minister (or the president, as he is the real head of the executive and presides over the weekly cabinet meetings) can, for any reason, return materials to ministers for reconsideration. He also can decide to postpone or cancel the project.

Line ministries
Score: 9

Line ministers have to inform the prime minister of all their projects. Not only the reforms are prepared under the control of the Prime Minister's/President's Offices but media communication and public opinion has to be strictly coordinated under the supervision of the prime minister's/president's staff. Most important sectoral reforms are actually announced by the prime minister or the president and not by the minister.

Cabinet committees
Score: 8

Although numerous – and sometimes institutionalized – interministerial councils and committees exist, they usually are not used to prepare legislation. Instead, they intervene at a somewhat late stage of the decision process. French governments are less collegial and strongly hierarchical; the prime minister (or the president) acts as arbiter and tends to centralize dossiers. This leads

to a lack of collegiality and of “horizontal” coordination deplored by some inside actors, and individual ministers may be tempted to seek prime ministerial or presidential arbitration rather than compromise with their colleagues.

Senior ministry
officials
Score: 10

Cabinet meetings (in France, the Council of Ministers chaired by the president) are prepared by the secretary-general of the President’s Office and by the secretary-general of the Prime Minister’s Office. These two secretaries are usually very senior civil servants who have extensive knowledge and experience of public administration and enjoy the confidence of the president and of the prime minister. Both men are considered as being more powerful than line ministers as they benefit indirectly from the legal and political delegation of their respective heads. Their importance can be judged from the fact that several former secretaries-general of the president have become ministers or even prime minister. The whole preparation of the meetings is made by high civil servants but obviously under the strict guidance of the prime minister.

Line ministry civil
servants
Score: 5

Coordination is a matter for the Prime Minister’s or the President’s Offices. Line ministry civil servants have to take into account the draft proposals from other ministries but coordination is not the main concern in most cases. Defense of line ministries’ prerogatives is often the main issue. Fights and conflicts are frequent (even if most of the time they do not come to the fore). In the most difficult cases (when ministers back up strongly the positions of their respective civil servants), the prime minister has to step in and settle the matter.

Informal coordination
procedures
Score: 8

In addition to formal coordination meetings, informal coordination is often crucial. One “invisible” facilitator stems from the fact that at least some members of the political staff (the so-called cabinet du ministre) in all ministries come from a dominant ministry (e.g., finance) or even more importantly from the old-boy network of elite universities (grandes écoles). Personal links and connections are of great help in overcoming conflicts related to role positions. Other informal meetings include, for instance, the interventions of majority party leaders of the two assemblies or the weekly “breakfast” between the president, the prime minister and other politicians or high civil servants involved in the matter under discussion.

RIA

RIA application
Score: 5

The practice of RIA has been developed since 1995, notably under the supervision of the Prime Minister’s Office. Furthermore, the minister of finance systematically assesses the impact of draft proposals under discussion, usually acting as a brake on many

proposals. Line ministries do the same but in the opposite direction, playing the advocates of the bill under discussion. A further assessment is provided by the Council of State (Conseil d'Etat) whose advice is required by the constitution for all government draft bills and decrees. This assessment is supposed to be purely legalistic but the council might also consider other dimensions such as the social, financial or international impact of a proposed measure.

Existing studies analyzing the impact of RIA nonetheless indicate some problems. Although the initial skepticism of administrative bodies toward RIA has been overcome, the content of assessments has been too general and often tended to justify the need for action rather than try a critical, and well-grounded, assessment; in addition, there are few international comparisons when examining possible alternatives.

The assessments are conducted by stakeholders with a perspective of fighting for or against the policy measure. Thus, in general it has little to do with a rational exercise.

A formal requirement for a need analysis does not exist in France. Objections over the need for legislation might come from the Prime Minister's Office or from the Council of State (objections coming from the opposition, the media or pressure groups are not considered here). Once the decision to go ahead is taken by the government nothing - except a political decision - might stop the process and challenge the usefulness of the proposed reform. It is quite common that bills are passed under emergency procedures to address public demands triggered by sudden events, strong emotions or public protest. The legislation is often useless and implementation decrees never adopted. Its only objective is to send a message to the media and inform public opinion. In many instances, the most objective analysis about the purpose and need of certain legislation is made ex-post by the Council of State or the Court of Accounts (Cour des Comptes) to deplore the useless character or the emptiness of some regulations.

The evaluations available for RIA in France have stressed the lack of critical analysis and the search for alternatives, which seem linked to the fact that RIA is realized by the administration concerned and that there is no counter expertise. Recently, impact studies have gained in influence. In 2006, a provisional Prime Minister's Office guideline for RIA procedures advised systematic research for alternative options. These options are often discussed within expert committee meetings or sometimes in legislative committees. But in most cases it is not a rational, systematic analysis offering alternatives and options with respective advantages and drawbacks.

Needs analysis
Score: 3

Alternative options
Score: 4

Societal consultation

Negotiating public support
Score: 5

The traditional distrust regarding “lobbies” which are not seen as legitimate political actors, and the difficult social relations in France that hinder social dialogue have limited the capacity of governments to seamlessly or successfully find avenues of cooperation. Corporatism in France has had a rather limited impact, and the temptation to govern “top-down,” by ukase, has always been strong. But severe, repeated conflicts and protest movements have raised and often successfully have vetoed governmental action. This is a clear hint that government has not succeeded in assessing the political power, the consideration and cooperation of civil society and its actors.

While the debate on necessary consultation between government and economic and social actors (especially concerning social partnership between capital and labor unions) goes back to 1969, it has seldom been followed by consequent action. However, in recent years, governments seek consultation of interest groups more systematically, and these practices have been partly made into legal obligations. Since 2007, President Sarkozy has launched several consultation rounds, trying to involve interest groups in the preparation of reform bills. Moreover, the rules of social negotiations have been modernized to encourage social contracts between employers and trade unions. But, despite the awareness of the necessity of installing regular consultation procedures, governmental practice has changed only gradually.

Policy communication

Coherent communication
Score: 9

The need for strong discipline is imposed on the French government as there is nothing like a coalition government. Coordination of government action and communication is assured in a hierarchical manner. The president is the effective chief of government; both the prime minister and all other ministers are nominated by the president and are dependent on him. In practice, the presidential office monitors the action of the government regularly (and under President Sarkozy, very closely). The prime minister and the president impose tight controls and ministers are expected to be in line with their guidance. The main rationale is to avoid divisions or confusion that can be exploited by the media. But leaks by ministers themselves can bring to the fore internal contradictions between ministers or their bureaucracies. President Sarkozy has called off several ministers whose public communication on planned projects did not suit him.

When a president is less directing, coordination is assured by the prime minister who is able to manage possible conflicts between ministers.

B Policy implementation

Effective implementation

Government
efficiency
Score: 7

The government is efficient in implementing its program as it can rely on a relatively disciplined cabinet and an obedient majority, while other veto actors are basically absent. The question if government policies are effective is another matter. There is a growing tendency to privilege communication over substantive policy and to believe that a reform is in place when a law is passed. This phenomenon is illustrated by the recurrence of legislation on the same topics. For instance, to address the concerns of the population over law and order issues, there have been a series of new laws passed aiming to strengthen police controls, crime penalties and so on. The same can be said for fiscal policies, which are characterized by a high rate of instability.

Ministerial
compliance
Score: 9

Compliance by ministers if assessed comparatively is rather good as a minister can be dismissed at any time and without explanation. In the French majority system and in the absence of real coalition governments, the ministers, nominated by the president, are largely assigned to him. Together with the effective hierarchical steering of governmental action, ministers have strong incentives to implement the government's program, following the guidelines produced by the president and the prime minister. In addition, contrary to countries such as Italy or Germany where the smaller components of a government coalition might be tempted to blackmail the dominant party, no such bargaining capacity is available to the minority in France.

Compliance by the administration is a more complex matter. As underlined before, the belief that once approved a reform is implemented is constantly contradicted by the facts, namely by the lasting French tradition to fight reforms once they have been passed. For instance, a minister who or an administration that has been forced to swallow a certain reform measure can jeopardize its application by not accepting or even slowing down the implementation process or by publishing a circular which restricts the interpretation of the law. The Ministry of Finance is particularly good at playing this game to minimize the financial impact of policies

pushed by line ministries.

Monitoring line
ministries
Score: 9

The monitoring of line ministries is usually good but considerable variations exist depending on:

- the strength of the prime minister;
- the relationship of the minister with the president;
- the political position of the minister within the majority or as a local notable.

Monitoring agencies
Score: 7

Most of the time ministries have only two reliable instruments to push agencies in the direction they wish: the appointment of the agency head and the budget. But in many cases it can be observed that these two managerial tools are efficient only on the surface. A good example is the National Research Center (CNRS), where researchers have eluded all attempts to reform the agency. Despite the many criticisms, reforms, alternating of budget cuts and budget increases as instruments of punishment or reward, the agency remains fundamentally unchanged.

Task funding
Score: 6

The situation of subnational government is rather paradoxical. On the one hand, thanks to the fact that most national elites (parliamentarians) are also elected local officials, subnational authorities are among the most powerful “pressure groups”; and because of this crucial position within the political system they have been able to secure extremely favorable global subsidies from the central government without strings attached. On the other hand, the central authorities have taken advantage of the “appetite” of local and regional governments for new competences by transferring new tasks and policies without fully financing these extra duties. As the central government was managing these sectors badly in most cases due to the lack of resources and to excessive centralization, the transfers had a huge impact on local finances and on manpower in communes, departments and regions. The problems have been further exacerbated by the piecemeal and ad hoc reforms of local taxes, such as the elimination of the local business tax (taxe professionnelle). While considered a bad tax by nearly everybody, it was one of the main genuine local financial resources. Its elimination, adopted in 2009, has meant further dependency of local authorities on the central government; even if the loss of revenue will be compensated by national state allocations, local authorities consider this shift a menace to local financial autonomy.

Constitutional
discretion
Score: 6

The allocation of powers to subnational governments is rather loose, and there is neither a clear hierarchy between the three levels of decentralized government (regions, departments, local level) nor a clear-cut division of competences. The effect has often been that the three subnational levels intervene, each in its own way, in the same

policy field. The government has promised a decentralization reform to clarify and to simplify decentralized competences and to reshape the territorial administrative landscape, but the bill that passed in 2009 is rather moderate; every real change would be subject to strong opposition.

Some instances of recentralization have occurred by fiscal or administrative means: tax reforms limiting local financial autonomy; new regulations in the name of territorial cohesion; and mixed financing on regional infrastructure investments, which sets up deliberations between central and regional authorities and gives the state the possibility of influencing regional choices. But in spite of the usual stereotypes about French hyper-centralization, it is fair to say that subnational government enjoys a lot of freedom of maneuver. Legally they are subordinate. Politically, the influence of local elites in parliament and in particular in the Senate is decisive.

National standards
Score: 9

“National cohesion” is seen as a major target by all actors. This is the basis for a large number of national standards and rules that canalize local and regional policies. National standards are fixed by national regulations and guaranteed by the constitutional and administrative courts. Local authorities have very little regulatory power and prefects as well as citizens might challenge local measures or policies which would infringe their rights to equal treatment on the entire national territory. These standards are enforced legally by the administrative courts, politically through financial subsidies and incentives, and professionally through the powerful field administrations of the state which work very closely with the local sub-units.

C Institutional learning

Adaptability

Domestic
adaptability
Score: 9

Government has effectively adapted its structures to meet the impact of European integration and the rise of multilevel governance, which increases the necessity of interministerial coordination. A coordination secretariat under the authority of the prime minister, the SGAE (secrétariat général des affaires européennes) bears responsibility for daily coordination; conflicts are arbitrated by the prime minister’s senior civil servants, with only serious conflicts by the prime minister or the president himself. In 2005, an interministerial committee was founded to coordinate the French position in EU councils. It meets monthly under the authority of the prime minister. The ministers of foreign affairs, Europe, finance and

economy are regular participants, while other ministers partake in the meetings according to the agenda treated.

International
coordination
Score: 7

France plays an active role in international coordination of joint reform initiatives. There is a high awareness of the fact that France should actively influence EU policy formation and international cooperation, and French governments have been active (yet not always successful) in setting agendas, proposing new initiatives or reforms.

However, the French government often takes positions too much in line with French interests only and does not present its initiatives in a way that would offer them as platforms on which support and consensus can be built. This limits the government's success in steering or influencing decision-making at the European level. In other cases, the apparent success resulting from strong impetus and active political mobilization is only a short-term victory. The success and immediate failure of the Mediterranean Union is a case in point.

Organizational reform capacity

Self-monitoring
Score: 5

There is no systematic review of structures except from time to time, reports are issued from the Council of State or from the Court of Accounts. Ad hoc reports on specific authorities or agencies are also produced by internal controlling structures (corps de contrôle) or external committees at the request of the government. The most ambitious recent attempt has been the general assessment of public policies launched in 2007 which foresees an assessment of all policies and institutions to rationalize their makeup and to find savings. The results of such a grand project cannot be judged as the implementation of the measures will continue until 2012. In the meantime, however, ministerial portfolios and their respective administrations are still organized on a purely political basis without managerial consideration (e.g., the creation of a ministry for sustainable development in 2007). Divisions and mergers of tasks and services are still fixed by short-term and opportunistic considerations.

Institutional reform
Score: 6

In 2008, the French constitution was substantially revised, one of the most encompassing constitutional reforms in 40 years. One of the main elements of the reform was a strengthening of parliament. For example, the government will not be able to control the parliamentary agenda alone anymore. In addition, the possibility for the people to initiate a referendum has been introduced. It is obviously too early to assess how these changes affect the strategic capacity of the government, however. On the one hand, it could be argued that these changes may actually reduce the government's strategic

capacity because it might have to make more compromises with parliament and potential initiators of referenda. On the other hand, this pressure of parliament and the public might also lead to a more long-term perspective in policy-making.

Apart from the constitutional reform, the government tries to improve its strategic capacity by changing institutional arrangements below the constitutional level. One example concerns the current reforms following the general assessment of public policies mentioned above. But very often, the government is obliged to use very unsophisticated tools, such as cutting jobs across the board without distinction between services and sectors, such as the decision to replace only one position out of two left by retiring civil servants, a policy which has been pursued since 2008.

II. Executive accountability

D Citizens

Knowledge of government policy

Political interest and participation have been in decline in the last decades. It is too early to assess the high degree of participation observed in the 2007 presidential election. On important matters (e.g., the referendum on the EU constitutional treaty in 2004, or political and social conflicts on important government reforms), political interest can be very high; but, in these cases, the simplification of the choice (for or against) favors polarization, which means that ideological and populist arguments dominate the debate, marginalizing more precise considerations on the impact of policies.

Citizens can be seen as poorly informed as the reform agenda since 2007 has been very complicated and as most people only get their information from television. Television stations devote very little time to any topic and tend more and more to prefer talk shows where people express their views rather than using prime-time hours for programming topics seen as unattractive to large audiences. Information follows mobilization, rather than the other way around. It is rather common that information is provided once a group of citizens or political activists have succeeded in attracting media attention. In addition, information is rather biased, both on the side of government and of the opposition, including trade unions. Finally, rumors, false news, media buzz make very difficult any process of

Policy knowledge
Score: 5

disseminating fair and transparent information.

E Legislature

Legislative accountability

Obtaining documents
Score: 9

Parliamentary committees can usually obtain all the documents they request. There are cases of “sensitive” information when the government can invoke the necessity of protecting intelligence or defense secrets and refuse to release documents, however. It might be tempting for governments in some borderline cases to use or abuse this option. Furthermore, legislative committees are very large, although the constitutional reform of 2008 expanded the maximum number of regular committees from six to eight. Most parliamentarians prefer their local commitments to their national duties and do not invest much time in committee work. With some exceptions, there is no strong tradition of inquiry and investigation. Given the fact that the eight regular committees cover a large range of policy fields, the effective document and information seeking role lies within specific instruments that bypass the constitutional rule limiting the number of committees: special “information missions” and permanent parliamentary “delegations,” parliamentary evaluation offices, and so on. They are able to mobilize, and to discuss, specific information and documents.

Summoning ministers
Score: 8

The committees are able to summon ministers for hearings, and frequently make use of this right. In exceptional cases, ministers can refuse to attend. Given the supremacy and the discipline of the majority party in parliament during the Fifth Republic, such a refusal does not entail serious consequences.

Summoning experts
Score: 10

Parliamentary committees are able to summon any expert they feel useful for their work, and often make use of this right.

Task area coincidence
Score: 3

There is no coincidence between the structures of ministries and those of parliamentary committees. The number of parliamentary committees is limited to eight (six until the constitutional reform in 2008) while there are 25-30 ministries. This rule was meant as, and resulted in, a limitation of deputies’ power to follow and control closely and precisely each ministry’s activity. But, in the last decades, new institutional arrangements have been set up, which sidestep these limits and lead to new sorts of committees, whether permanent or not, on specific questions.

Audit office
Score: 7

The Court of Accounts (Cour de Comptes) is accountable to parliament which might require any auditing, report or enquiry it

needs. This is a big change in contrast with the past when the court was perceived mainly as a controlling institution at the service of the executive. The 2008 constitutional reform has increased the court's role, but it remains to be seen how the parliament and the court itself will make use of these new opportunities.

Ombuds office
Score: 2

Parliament has no ombudsman office, but members of parliament play an active role, as action by citizens has to be channeled through the mediation of MPs. Traditionally, the French parliament played a decisive role in mediating between individuals and the administration in cases of excessive delays, red tape or difficult cases. This role was very much related to MPs' local involvement and allowed for an individualistic and particularistic relationship with the citizen-voter. Instead of parliament, government has an ombudsman ("Médiateur de la République") who is left the cases that MPs are not able to solve.

F Intermediary organizations

Media

Media reporting
Score: 6

Mass media, notably the new morning (radio) and evening programs, offer quality information concerning government decisions. Other types of programs prefer political debates or infotainment and prominent personalities who are given a platform. Despite the existence of programs focusing on societal themes or new challenges, there is a lack of high-quality background programs, which would analyze and explain the impact of government decisions. Entertainment attracts more audience numbers and by way of consequence more publicity, especially in the private sector. While this phenomenon is less marked on public channels, it is also noticeable and in line with the decline in interest for politics and public affairs observed in many countries.

Parties and interest associations

Party competence
Score: 6

Parties and leaders have failed in explaining the challenges of the present and of the future to the electorate. Preference for short-term solutions, postponement of difficult decisions and a relative indifference to the fate of future generations are the characteristics of most political programs. The crude fact that the national budget has been in deficit for the past 30 years is telling. This being said, the two major governing parties since 1981, the Socialist Party (PS) and the

Union for a Popular Movement (UMP), have improved their focus on plausibility and coherence. When they are in opposition, they tend to give way to populist propositions, but the financial coherence of programs proposed is now more often publicly discussed on the basis of independent expert calculations.

Association
competence
(business)
Score: 4

Associations do not play a major part in the formulation of policy proposals in France. In general, they have limited organizational, analytical or expertise power, which would allow them to influence the debate in this respect. Only in some cases are more specialized associations in the social or environmental field (or the agricultural associations) able to mobilize their specific experience in the form of policy proposals that may be adopted or taken into consideration by parliament and government. But, in general, the French political culture and tradition means that governments tend to have “arms-length” relationships toward associations, seen as “lobbies” proclaiming egoistic interest, opposed to government and parliament which are legitimized to express the “general will.” This has led to a rather fragmented, weakly organized, sometimes split (e.g., the trade unions) association system, which remains confined to a secondary role in the process of policy formulation dominated by executive power and very often “statist” expertise. In consequence, associations may prefer public protest, polarization and lobbying instead of using specialized expertise.

Association
competence
(others)
Score: 6

The number of, and membership in, non-business associations has been increasing in the past decades. If the phenomenon of factual dependency on financial support of public authorities exists, especially at the local level, there are non-economic associations combining pluralistic approaches, long-term perspectives and a public perspective. This can be seen in fields such as urban policy (where national programs and local public actors rely on the expertise and the commitment of associations dealing with local social difficulties), environmental policy or social policy (aid to people with different social problems or handicaps). This being said, not all associations are able to exert a real influence on policy-making except by providing new ideas and concepts which are taken up from time to time by politicians. Since 2007, President Sarkozy has nominated representatives of civil society associations into government or high public responsibilities but this practice has been driven far more by tactical motives than by a real will to integrate associational expertise in governmental policy.

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