

RECONCILE FRANCE

ANNUAL REPORT ON THE STATE OF FRANCE IN 2017

In all evidence, France is at a turning point where it must change its collective mindset. This is the observation made by the Economic, Social and Environmental Council (ESEC) in its annual report on the state of France 2017 (RAEF), based on the 10 new wealth indicators that the Government has adopted to assess the situation of the country, in addition to GDP growth.

In the autumn of 2016, 88% of French people felt their country was heading in the wrong direction according to the Ipsos Global Advisor, which was the highest rate of the 26 countries - developed and emerging alike - covered by this study. One of the indicators studied in this report bears on how satisfied French people are in life. With a score of 7.2 out of 10, our fellow citizens are for the most part satisfied on a personal level, despite their pessimism as regards their country. This result, which has not changed much in recent years, is within the European average and remains much higher than the rate in southern European countries where it has plummeted since 2010.

This mismatch between French people's perception of their lives on a personal level and their often very negative outlook for our collective future chimes with the central challenges the country is grappling with. For France is certainly struggling with very real problems, as described in this report, in terms of jobs, innovation, public and private indebtedness and actions to counter the ecological crisis. In turn, these are leading to considerable challenges for a large part of the population, in the form of unemployment, low incomes and living conditions. But our inability to unite around a joint project, one which galvanises our fellow citizens into action, is exacerbating the collective

sense of pessimism gripping our country. And there is a high risk that such excessive pessimism becomes self-fulfilling: the longer we remain convinced that we are doomed to being worse off tomorrow, the less likely we are to set about harnessing the country's undeniable assets to effectively tackle the challenges of the 21st century - not least the digital revolution or ecological crisis.

Driving this difficulty in bringing about a joint project is the tension between the ambition expressed through the Republican motto "Liberty-Equality-Fraternity", an ambition that is widely shared by our fellow citizens, and the perfectible efforts of the Republic in terms of inequalities. France is still one of the developed countries where inequalities are the most limited, thanks particularly to the scale of redistribution operated by public action. But these inequalities have increased markedly since the crisis, widening the gap between reality and the target figures on paper. This report examines this question in detail from the point of view of income and assets, school, local communities, health, gender inequalities and discriminations on the basis of assumed origin and skin colour.

Lastly, the ESEC outlines possible solutions for overcoming these difficulties by re-establishing social cohesion and getting society actively involved again in planning for the future.



Guillaume Duval

Editor-in-Chief of Alternatives économiques.

At the ESEC, he sits on the Section for Economy and Finance and Section for Environment as a qualified individual.

Contact:

guillaume.duval@lecese.fr
+33 (0)6 81 45 76 05



Pierre Lafont

Lawyer.

At the ESEC, he sits on the Section for Economy and Finance as well as the Section for Agriculture where he represents the Liberal Professions Group.

Contact:

pierre.lafont@lecese.fr
+33 (0)1 44 43 64 30

THE CONDITIONS FOR A FRANCE RECONCILED

Reconciling France around a shared perception of its future first and foremost requires reconciling French citizens with themselves. Social cohesion needs to be boosted afresh to get society as a whole rallying round a joint project.

A. RE-ESTABLISHING SOCIAL COHESION

There needs to be more of a local and flexible focus to the community ties upon which the nation is built.

➤ 1. Adapt social responses and make them more flexible

Reducing inequality must first and foremost be achieved in terms of direct earnings from economic activity. Naturally this implies prioritising job creation, but it also involves ensuring that these are quality jobs by avoiding "low-pay traps", and organising the legislative and regulatory framework of new independent jobs created with the digital revolution.

➤ 2. More effectively address the issue of people not accessing their rights

France has an advanced system in place for tackling poverty, but this is not working to maximum effect mainly because of the sheer extent to which people do not access their rights. The system of social welfare benefits needs to be made simpler and more consistent by making it more accessible and easier to understand.

➤ 3. A more effective education system against inequalities

Among developed countries, the French education system is one of those whose results depend the most on parents' social status. Priority given to infant and primary school, a greater number of more experienced and better paid teachers in difficult areas, heightened recognition of teachers' capacities for innovation and working together: the solutions are known but they need to be rolled out in a determined way.

➤ 4. Bring the social institutions closer to the population

The social institutions often appear distant and ineffectual to those who would have the most need of them. This situation calls for more community solutions by identifying the most suitable local level for implementing social policies. A time-limited trial right could enable the testing of schemes that give a more active role to association-based movements capable of taking a local, effective approach in helping the most deprived.

B. A MORE INNOVATIVE FRANCE WITH ITS EYES SET FIRMLY ON THE FUTURE

To strengthen social cohesion, we also need to find a joint project capable of galvanising us into action as regards the challenges of the 21st century - particularly the digital revolution and ecological crisis.

➤ 1. More efficient research

French research efforts could be taken further, and its organisation improved. The calls for tender based system underpinning public research, and researchers' uncertain, unstable employment conditions, do not always yield the best results. It would also be worth more accurately gauging public support for private research, particularly via the research tax credit, as well as the competitiveness cluster policy.

➤ 2. The whole of society needs to become innovative

Beyond researchers, society-wide grassroots movement is necessary. This involves changing management methods that too often remain stuck in top-down, authoritarian approaches, and allowing employees within businesses to take on more responsibility. Relations between the State and citizens also need to be improved so that the former adapts more quickly to the latter's needs. Institutions like the ESEC and RESECs are ideally placed to contribute in this regard.

➤ 3. Turn our strengths to greater advantage

France has a host of strengths it can draw on in the 21st century, but it has not yet fully grasped this. This is particularly the case when it comes to building a "bioeconomy" that is capable of replacing fossil fuels and non-renewable raw materials, since the geography of our country is still very rural. This does, however, require the energy transition and ecological adaptation of our economy to swiftly gather pace.