

Commissariat général à la stratégie et à la prospective

AN INTRODUCTION TO THE NATIONAL DEBATE



QUELLE
FRANCE
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10 ANS?

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Which Social Model?

Created during the post-war boom years, the French social model is based on the following three types of transfers:

- ▶ collective national insurance funded by contributions based on employment and managed jointly by employee and employer representatives;
- ▶ generally means-tested assistance benefits, funded by taxes and duties and managed by the State and regional authorities;
- ▶ free and universal public services (education and health) funded and organised by the State.

The social model therefore relates not only to social protection but also to other institutions at the heart of economic and social regulation in France.

The foundations of this model are being challenged by the emergence of new risks (long-term unemployment, job insecurity, downgrading of jobs, single parenthood, dependency, etc.) and by increasing inequalities (in terms of income, access to the job market and public services, and even, in more general

terms, of 'opportunities', whether relating to academic success, social mobility or career progression). The difficulties associated with funding social protection and with the welfare state crisis have also had the effect of weakening the model. Indeed, for many, it will have reached its limits and will be faced with a triple crisis of legitimacy, solvency and efficiency.

At the same time, the social model is a central component of our social cohesion and of the French identity. The key issue for its future is to reconsider the objectives and the means we intend to allocate to it, taking into account our place within both a European and a global economy. With this in mind, there would appear to be three key questions that need to be answered: to what extent is solidarity taken into account in the social model? What positions do taxes, transfers and public services occupy in terms of redistribution? And finally what proportion of resources should be transferred from curative action to preventive action when it comes to dealing with modern-day risks?

INTRODUCTION

Based on the notion that it should enable all citizens to ‘live with dignity’, the French social model was born in the wake of World War II as part of the economic and social reform programme adopted by the National Council of the Resistance (entitled *Les Jours Heureux*). Indeed, what immediately springs to mind when we think of the social model is the institution of social security, which implicitly features in the preamble to the 1946 Constitution: “The Nation shall provide the individual and the family with the conditions necessary to their development.”

The social model relates, however, not only to the collective organisation of protection against risk but in the wider sense to ‘all of the institutional principles, rules and agreements that govern social relations’.¹ Beyond social protection alone, the French social model also relates to other institutions at the heart of social regulation, including the following:

- ▶ the organised defence of workers’ interests, as demonstrated by the great importance placed on employment law and social public order;
- ▶ the role attributed to trade unions that contribute to the management of social protection systems by means of the joint management of social insurance funds and that are also involved in the production of employment-related regulations by means of negotiated law;
- ▶ the public services provided by the State, primarily education and health, with the aim of providing all citizens with equal access to high-quality services, for which the interests of the public take priority over the interests of the individual;
- ▶ taxation, which reflects the sources through which the social model is funded and its varying redistributive implications.

Whilst fighting inequalities is not in itself the *raison d’être* of the social model, the public services and redistributive system on which it is based play a central role in reducing inequalities between individuals. The social model as it is understood here is based on the following three types of transfers:

- ▶ collective national insurance funded by contributions based on employment and managed jointly by employee and employer representatives,

- ▶ generally means-tested assistance benefits, funded by taxes and duties and managed by the State and regional authorities,
- ▶ free and universal public services (education and health) funded and organised by the State.

Social protection was originally aimed at workers insuring themselves against social risks by paying compulsory contributions. Sickness, unemployment, old age and family-related responsibilities, which can result in the interruption or suspension of income, are the four risks covered by the community. The system as a whole is based on a transfer system with, on the one hand, a series of contributions, the value of which is determined by a percentage of salary, and on the other hand, a series of benefits, the value of which varies depending on salary. The Bismarck-inspired French social model therefore conforms to a corporatist logic insofar as social protection is reserved exclusively for those covered by social insurance (and their dependants), which results in a citizenship based on employment rather than a universal, unconditional citizenship. Solidarity and redistribution are not entirely absent from the original form of the model, but they are dependent upon job market participation. Social protection essentially pools the risks and redistributes them between workers, putting all parties on an equal footing with regard to the likelihood of the risk materialising. In this respect, the social model represents a form of solidarity between working individuals.

The French social model is therefore representative of what is known as the continental model², which is characterised by social insurance systems based on employment, high social benefits, a high level of employment protection and unions that are closely linked to legal and social regulation. It was developed based on a different approach than the Anglo-Saxon model, which is based on a solidarity between all citizens that is funded by tax and provides limited aid for the most disadvantaged, with the best part of individual protection provided by private insurance policies.

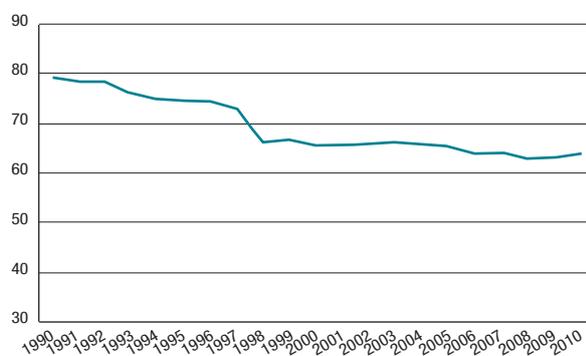
The foundations of the social model, which were laid in the post-war years, were shaken by the crisis of the 1970s and the increase in mass unemployment, resulting in an imbalance in the funding of the system and increased tensions between citizens. Faced with new social risks that

1. Méda, D. and Lefebvre, A. (2006), *Faut-il brûler le modèle social français ?*, Paris, Seuil.

2. According to the typology developed by Gösta Esping-Andersen (1990), *Les trois mondes de l’État providence*, Paris, PUF.

include, among other things, long-term unemployment, consistent poverty and an increase in the number of single-parent families, social protection has taken on a more universal dimension.³ This has resulted in the introduction of a number of minimum welfare benefits that now relate not to social insurance but rather to an assistance-oriented approach, since such minimum benefits are allocated based on means, are non-contributory and no recompense is necessarily required in return (special solidarity benefit in 1984, universal medical coverage in 1999 and the RMI, i.e. guaranteed minimum welfare payment in 1988, which became the RSA, i.e. earned income supplement in 2009). These minimum benefits are not based on a contribution or payment mechanism based on salary contributions but rather on tax. This increasing hybridisation of approaches to funding has resulted in a reduction in the proportion of social contributions in French social protection revenue over the past twenty years (see Chart 1).

CHART 1
SOCIAL CONTRIBUTIONS ACROSS ALL
SOCIAL PROTECTION REVENUE, 1990-2010
(AS A PERCENTAGE)



Source: ESSPROS

The French social model, in its current form, is therefore characterised by the co-existence of several approaches to social protection (insurance and assistance) and several methods of funding (by means of contributions or taxes), and this co-existence is regularly called into question.

A number of analyses have claimed that the French social model has reached its limits⁴ and is facing a crisis of legitimacy, solvency and efficiency as a result of an increase in individualistic values, a funding imbalance and increasing inequalities between citizens.

There are a number of questions that now need to be answered if we are to respond to these issues. The responses must take into account the economic model that is chosen, as well as France's integration into the European Union and into the global sphere, which puts our social model to the test in terms of competitiveness.

- ▶ Should we consider that the occurrence of new social risks (dependency, job insecurity, etc.) and the pluralist dimension of modern-day inequalities (social, economic, intergenerational and territorial) should develop the model in a way that makes it more universal?
- ▶ Should we consider that the social model should extend to fighting inequalities (inequalities in terms of income as well as access and inequalities in terms of opportunities)? Indeed, some believe that the corporatist logic on which it was developed makes no allowance for the diversity of the unequal phenomena that exist in French society.
- ▶ How, then, can we make our social model an asset not only for individuals (a vector of integration and fulfilment that gives the individual the ability to succeed⁵) but also for the community (a vector of efficiency, competitiveness and social cohesion)?
- ▶ What impact will these choices have on our social and fiscal redistribution system, on the scope and level of individual protection, on funding arrangements (sustainability, balance between monetary redistribution and benefits in kind, funding that puts the emphasis on the wage tax base, income, added value, etc.) and on the way the model is governed (role of the State, data protection, the position and weight of intermediaries)?

3. For more on the evolution of funding sources, see Haut Conseil du Financement de la Protection Sociale [2012], *État des lieux du financement de la protection sociale en France*, report submitted to the Prime Minister, October; www.securite-sociale.fr/art3202.

4. See notably Méda, D. and Lefebvre, A. [2006], *op. cit.*; Algan, Y. and Cahuc, P. [2007], *La société de défiance. Comment le modèle social français s'autodétruit*, Paris, Rue d'Ulm-CEPREMAP; Smith, T. [2006], *La France injuste. 1975-2006: pourquoi le modèle social français ne fonctionne plus*, Paris, Editions Autrement.

5. This approach developed by Amartya Sen is based on the idea that equality is measured in terms of equal capabilities on the part of individuals, meaning all of the actual freedoms that enable them to exploit their abilities and guide their existence. See Sen, A. [1999], *Development as freedom*, Oxford University Press.

ASSESSMENTS

For the purposes of characterising the French social model, we shall endeavour, here, to compare it to those in force in three European countries, each considered to be a typical ideal, these countries being the United Kingdom (liberal/Beveridgean model), Germany (continental/Bismarckian model) and Sweden (Nordic model).

A MODEL WITH RECOGNISED QUALITIES TO WHICH THE FRENCH ARE ATTACHED

A model to which the French are attached and that is part of their identity

According to a recent survey⁶, 90% of French citizens believe that their country has its own specific social model, believing this to be a positive thing in terms of social protection (90%) and an important part of our national identity (86%), and claiming to feel a degree of attachment to it (82%).

A model that has supported the social and economic development of the country

There are a number of indicators that enable to identify the benefits of this social model. France is doing better than its neighbours in terms of fertility rate, better than Germany in terms of number of years' healthy life expectancy, and better than the United Kingdom in terms of the schooling of 15 to 19-year-olds.

**TABLE 1
INDICATORS OF SOCIAL AND ECONOMIC DEVELOPMENT**

	France	Germany	United Kingdom	Sweden
Fertility rate*	2	1.39	1.98	1.99
Number of years' healthy life expectancy at the age of 65 (men and women)**	9.7 – 9.9	6.7 – 7.3	11.1 – 11.9	13.9 – 15.2
Schooling rate among 15 to 19-year-olds***	84	88	74	87
Monetary poverty rate (60% threshold)****	14	15.8	16.2	14

Sources: * INED – 2010 data; ** EU-SILC – 2011 data;

*** OECD – 2009 data; **** EU-SILC – 2011 data

A model that has limited the widening of inequalities and monetary poverty

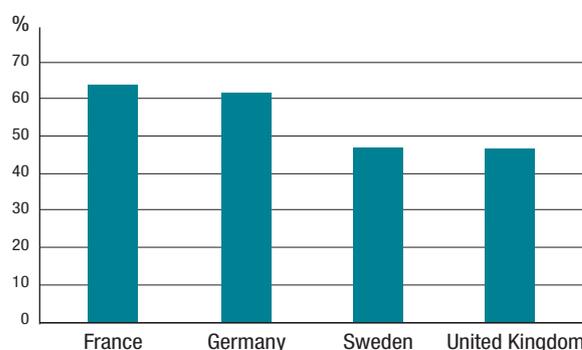
The French socio-fiscal system is highly redistributive, making it possible to go from relatively unequal market incomes, in comparison with other OECD countries, to disposable incomes that are less unequal than average. Before redistribution, the most comfortably-off 20% of the population have an average standard of living that is 7.4 times greater than the most modest 20% (€7,400 per year). After redistribution, this figure falls to 3.9. France is also doing relatively better than its neighbours when it comes to limiting the risk of poverty and exclusion (see table 1).

A COSTLY MODEL AND ONE THAT IS RELATIVELY EFFICIENT IN TERMS OF EXPENSES INCURRED

A costly model and one that is relatively efficient

France was the OECD country with the highest proportion of social protection expenditure in its GDP in 2013 with a rate of 33% of the GDP, as opposed to 26.2% in Germany, 28.6% in Sweden and 23.8% in the United Kingdom. France reflects the standards of the continental social model and, just like Germany, funds such expenditure primarily through social contributions (see charts 2 and 3).

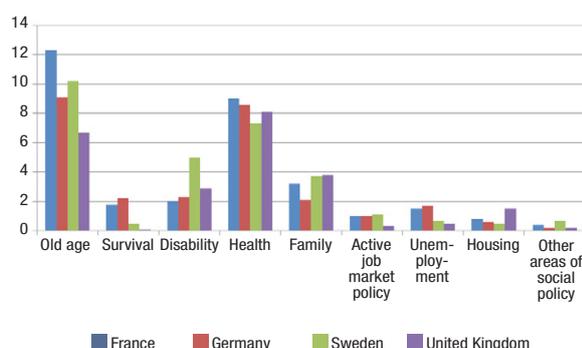
**CHART 2
SHARE OF SOCIAL CONTRIBUTIONS IN SOCIAL PROTECTION REVENUE, 2010**



Source: ESSPROS

6. Louis Harris survey for *Liaisons sociales*, 'Le modèle social français, attentes et perspectives', 2012.

CHART 3
SOCIAL PROTECTION EXPENDITURE BY ITEM,
AS A PERCENTAGE OF GDP, 2009



Source: OECD-SOCX

Items on which France spends significantly more include old-age coverage, health coverage and unemployment.⁷ It should be noted that the OECD data relates only to social protection expenditure and does not include the provision of education and health services, which are also part of our social model. From this perspective, France (6.5% of the GDP in 2010 according to Eurostat) spends less than Sweden (14.2%) but more than Germany (5.1%).

We can put the level of social expenditure in France into perspective by taking into consideration the expenditure per inhabitant (France falls in to 2nd place behind Sweden, according to OECD data⁸) or net social expenditure, that is the combination of social protection benefits with fiscal expenditure relating to social risk coverage⁹ (the differences between countries then appear less significant), but this does not challenge the observation of a relatively high level of expenditure in France.

Despite this, according to a series of basic performance indicators, the level of efficiency of the French social model remains relatively low, particularly with regard to the Nordic countries.¹⁰ It has also shown signs of deterioration over recent years. With regards to health, for example, whereas

the French system was considered by the World Health Organisation (WHO) to be one of the best in the world at the start of the 21st Century, in 2012 the French High Council for Public Health rated its performance as merely 'average' in relation to the rest of the European Union.¹¹ France has also fallen behind in terms of the international PISA tests designed to evaluate education systems, ranking 11th among the OECD countries in 2009, *ex aequo* with Germany.¹²

Comparing expenditure levels with these indicators alone will not, however, accurately reflect the 'performance' of the social model since the latter depends not only on the level of expenditure but also on the way in which the expenditure in question is allocated. It can also be assessed in terms of the redistributive effect of the model and access to the services it funds. The impact of social expenditure in the general sense is systematically assessed in line with the strictest of international standards.¹³

The impact of monetary redistribution appears to be lessening

In 2011, social benefits went two-thirds of the way to reducing inequalities in terms of standards of living among the population, with deductions making up the remaining third, largely by means of income tax (see table 2). Over the course of the past twenty years, however, the redistributive impact of both factors appears to have lessened. Income tax in 2010 was both less progressive and relatively lower in terms of value than in 1990. Likewise, social benefits appeared less redistributive than they were in 1990. These are more often than not revalued to reflect inflation but have increased at a slower rate than the average incomes of the population. Ultimately, the role of social protection funding in reducing inequalities has increased, although it remains limited (contributing around 5.4% to the reduction in inequalities in standard of living), whilst that of the two traditional redistribution channels (benefits and income tax) has receded somewhat.

7. This international comparison of social expenditure does not include reductions in charges for low wages with regard to active job market policies, which nevertheless account for the largest volume of aid for businesses in France, at €20.7bn in 2011. See Conseil d'Orientation de l'Emploi ('Employment Guidance Council') [2013], *Les aides publiques aux entreprises en faveur de l'emploi*, April: www.coe.gouv.fr/Detail-Publication.html?id_article=1124.

8. Available for 2009 only according to this unit.

9. Adema, W., Fron, P. and Ladaique, M. [2011], "Is the European Welfare State Really More Expensive?: Indicators on Social Spending, 1980-2012; and a Manual to the OECD Social Expenditure Database (SOCX)", OECD Social, Employment and Migration Working Papers, n° 124, November.

10. See Lefebvre, M. and Pestieau, P. [2012], *L'État-providence en Europe. Performance et dumping social*, Rue d'Ulm, 'CEPREMAP' coll.

11. On the basis of the health indicators outlined by the European Commission and aimed at establishing coherence within the statistical data at the community level.

12. The PISA 2012 results will be made public in December 2013.

13. Some works have highlighted France's delay with regard to public policy assessment. Indeed, France needs to establish indicators of transparent and quantifiable results that can range from academic performance to back-to-work levels, including levels of access to care. Next it is important to identify the causal effect of public intervention on such indicators using methods that are now widespread. This approach can also make it possible to assess the model's distributive impact and to access the services it funds. See notably Ferracci, M. and Wasmer, E., *État moderne, État efficace*, Paris, Odile Jacob, 2011.

TABLE 2
CONTRIBUTION OF THE VARIOUS TYPES OF TRANSFERS TO REDUCING INEQUALITIES IN STANDARD OF LIVING IN 2011

	Proportion of the transfer in standard of living (as a %) (A)	Progressiveness (B)	Contribution to reducing inequalities (as a %) (C)
Deductions	- 16.3	1.3	33.8
<i>Funding social protection</i>			
Social contributions*	- 6.4	0.3	2.3
Social contributions	- 3.4	0.8	3.1
<i>Direct taxes</i>			
Income tax (including employment bonus and tax credits)	- 5.0	4.9	28.7
Council tax	- 1.5	- 0.2	- 0.4
Benefits	7.3	7.8	66.2
<i>Family benefits</i>			
Family allowances	1.7	6.2	12.2
Other non-means-tested family benefits**	1.3	3.5	5.1
Means-tested family benefits***	1.1	7.9	10.4
Personal independence allowance (APA)	0.3	6.7	2.6
Housing allowances	1.4	10.7	17.7
Minimum welfare benefits and working tax credits****	1.4	11.0	18.2
Standard of living	100	///	100

* The contributions listed here include employer and employee contributions to family-related expenses, and housing, transport and learning taxes.

** Family support allowance, disabled child-rearing allowance, PAJE (early childhood benefit) supplement for free choice of activity and for childcare of the parents' choice and State subsidies for childcare in collective or family childcare centres.

*** Family supplement, basic PAJE allowance, school expenses allowance and secondary school grants.

**** 'Base' component of the earned income supplement, minimum old-age pension (ASPA), supplementary invalidity allowance and the disabled adults' allowance and supplement.

Scope: Mainland France, people living in a household with a positive or non-existent income and where the reference person is not a student.

Interpretation: benefits represent an average 7.3% of standard of living and account for 66.2% of the reduction in inequalities.

Note: column (A) shows the average relationship between the deduction or benefit and the standard of living. Column (B) estimates the progressiveness of the transfer by means of the difference between its pseudo-Gini and the Gini of the standard of living before redistribution. Column (C) estimates the contribution (as a %) of each transfer to reducing inequalities, which is obtained

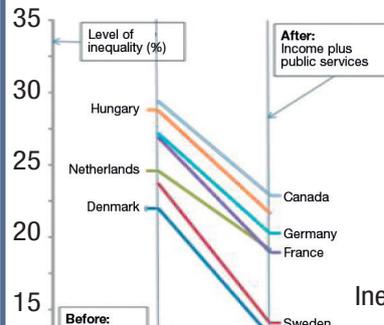
by calculating the product of the absolute values of columns (A) and (B) for the transfer and dividing this product by the sum of the products across all transfers.

Sources: INSEE; DGFIP; CNAF; CNAV; CCMSA, 2009 *Revenus fiscaux et sociaux* ('Tax and Social Incomes') survey (updated in 2011), INES model, DREES and INSEE calculations.

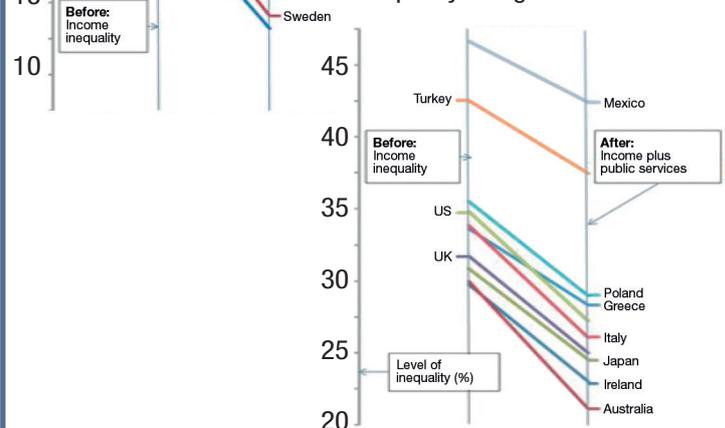
The above data, however, relates only to the field of monetary redistribution. Redistribution resulting from the direct provision of certain services to households is also excluded. Public services also provide free or subsidised benefits in kind which have a significant impact in terms of redistribution: in 2007, for example, the INSEE estimated that such transfers had accounted for more than two-thirds of the reduction in inequalities in France.¹⁴ This contribution on the part of public services is found to a greater or lesser extent in all OECD countries, with education, health and housing being the services with the greatest impact. The greater the initial inequalities in income, the more significant the redistributive impact of such services.¹⁵

CHART 4
INCOME INEQUALITIES AND PUBLIC SERVICES

Low level of income inequality



Inequality in high level income



Note: The Gini coefficient is used to measure inequality, as a percentage. Only certain OECD countries are shown. The vertical scale is different in each chart.

Source: OECD (2008), *Growth and Inequalities*.

14. INSEE (2008), *Portrait Social de la France*.

15. *Growth and Inequalities* (OECD), 2008.

A SOMEWHAT ILLEGIBLE MODEL AND ONE OF QUESTIONABLE SOCIAL SUSTAINABILITY

The French social model is characterised by its complexity, which stems from the abundance of special social protection arrangements¹⁶, the accumulation of targeted social benefits in the name of solidarity (housing allowances, CMU, ASS, RSA, etc.) and changes in the way it is governed. These changes have more often than not been dictated by pragmatism without any choice being made on the part of the citizen regarding the respective roles of employment and redistribution within the model.

The weakening social acceptability of the model

This complexification and actual hybridisation of the social model have fostered a lack of trust¹⁷ on the part of citizens, both in each other and in those institutions involved in the social model. This distrust challenges the sustainability of the model in two respects.

Firstly, the relative opacity of the system, which notably stems from the heterogeneity of the eligibility criteria that apply to certain entitlements and the complexity of the regulations, fuels conflicts of interest, makes it difficult to clearly identify the winners and the losers of reforms and ultimately affects our ability to reform the model.¹⁸

Secondly, the inequalities and the complexification of the model go hand in hand with a fragmentation of the social link that weakens the social acceptability of the principles that govern it and the willingness to fund it. As a result, recent public debate on its future has tended to focus on societal opposites – civil servants/private sector employees, workers/those who receive assistance, rich/poor, those on permanent contracts/those on temporary contracts, etc. – and to place increasing importance on the perception of those in receipt of assistance and the privileged, fraud and tax exile.

In this respect, the French social model is considered to be inefficient. According to the Eurobarometer, in 2010, 78% of French citizens believed that inequalities and poverty were being poorly dealt with, placing France sixth in the ranking, close to Greece, Hungary, Latvia, Croatia and Lithuania. A relative lack of power with regard to the fragmentation of the social link is also evident on the social cohesion barometer produced by the French Directorate General for Social Cohesion (DGCS), which shows that in 2012, 8 French citi-

zens out of 10 believed that social cohesion in our country was poor. 57% believed that individual actions (personal efforts, community initiatives, etc.) would likely strengthen it with regard to the institutions involved in the social model (school, social protection, public services, etc.).

A governance characterised by a complex tangle of players and powers

The way in which the social model is governed has also become more complex, notably as a result of changes relating to the way in which it is funded. Equality in management still plays an important role in France. It is nevertheless called into question *de facto* by the intervention of the State and complementary bodies operating in the field of social risk management. The State also appears to be playing an increasingly important role in the management of collective insurance policies as a result of financial imbalances in their accounts. Since 1996, therefore, the social security budget has been set by Parliament, which outlines the broad guidelines with regard to revenue and expenditure. Furthermore, the increase in the relative weighting of assistance mechanisms within the system, which are funded by tax and traditionally managed without any direct involvement on the part of any social partners, reduces the weighting of the latter in terms of social protection management.

The devolution of social policy that began some thirty years ago has also made the social model more difficult to manage. Regional authorities (and General Councils in particular) have become key players in the model, without the State having entirely relinquished its powers. These issues of the devolution and division of powers between social partners and public authorities can sometimes accumulate, making the management system even more difficult to comprehend in fields such as vocational training or support for job-seekers.

A MODEL THAT IS FAILING TO LIMIT THE IMPACT OF SOCIO-ECONOMIC BACKGROUND

On academic success

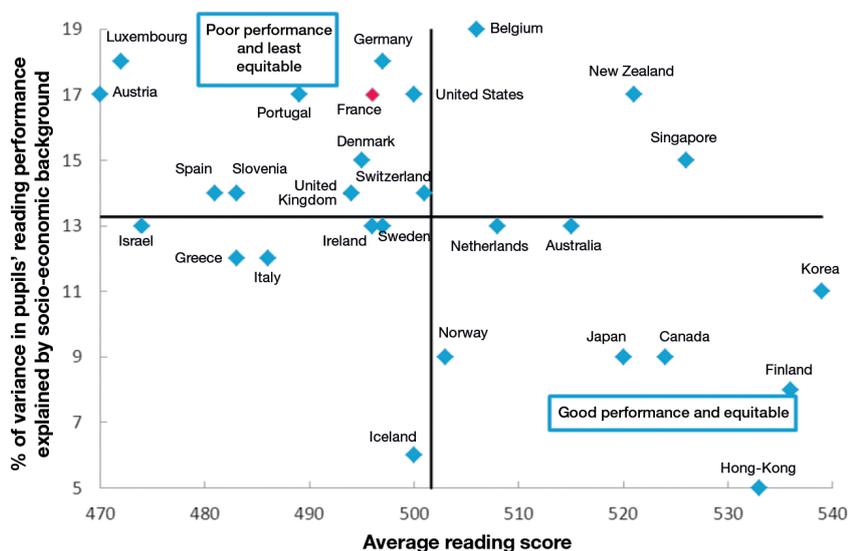
Despite our best efforts to provide free, high-quality education, France is one of the least successful OECD countries when it comes to limiting the impact of the parents' socio-economic background on the child's academic success and, consequently, on their professional success.

16. 600 basic pension schemes, 6,000 additional compulsory pension schemes, 19 health insurance schemes. According to Palier, B. [2010], 'Les caractéristiques de l'État providence en France : son organisation, ses évolutions au gré des réformes', *Les Cahiers Français*, n° 358.

17. Algan, Y. and Cahuc, P. [2007], *op. cit.*; Laurent, É. [2012], *Économie de la confiance*, Paris, La Découverte.

18. Algan, Y. and Cahuc, P. [2007], *op. cit.*

CHART 5
READING PERFORMANCE OF 15-YEAR-OLDS AND THE IMPACT OF SOCIO-ECONOMIC BACKGROUND, 2009



Choice of countries: in order to compare France with comparable countries, only those countries whose GDP per inhabitant in 2010 was greater than \$20,000 were selected, with the exclusion of oil monarchies where the education systems are very different.

Source: CGSP on the PISA database (OECD).

In comparison with other OECD member countries with equivalent income levels, the academic performance of pupils in France is below average and the impact of socio-economic background on the child's results that much greater. Pupils from disadvantaged backgrounds are 2.68 times more likely to achieve poorer results than those from privileged backgrounds.¹⁹ These margins can notably be explained by the difference in the way learning strategies are adopted and implemented by privileged and disadvantaged pupils, which is greater in France than the OECD average (20% as opposed to 17%). The role of the family is therefore a decisive factor in academic success. The 'importance of qualification'²⁰ in our country is such that academic competition is becoming more intense. This has resulted in greater academic inequalities and greater influence of social origin on the individual's professional future.

■ On career paths

This difficulty on the part of the French education system with regard to putting pupils on an equal footing is concerning for two reasons, the first of these being that 'weaker' pupils are those with the least chance of enjoying promising professional prospects. Those with the fewest qualifica-

tions are the least well armed when it comes to the risk of unemployment; indeed, unskilled workers are 11.5% more likely than executives to find themselves still unemployed from one year to the next.²¹ The second reason relates to the fact that access to continuing education for adults does not compensate for a lack of initial training. Whilst France, in this respect, boasts an average level of access that is greater than the EU-27 average (52.6% in 2011 as opposed to 42.6%, according to Eurostat), access to training is nevertheless just as much of an issue for two reasons. On the one hand, it is highly dependent upon socio-professional background; the annual rate of access to continuing education among 25 to 64-year-olds in 2010, for example, was 35% for executives as opposed to 23% for labourers, according to the INSEE. On the other hand, access to initial training for adults leading to a qualification is less common in France than in the European Union as a whole (3.5% in 2011 as opposed to 6.1%, according to Eurostat²²). In this respect, France is doing as well as Germany but not as well as Sweden (13.5%) or the United Kingdom (14.8%). It is this type of long-term training leading to a qualification that is the most likely to lead to an upwardly mobile career path and greater security in the job market.²³

19. OECD (2012), *Équité et qualité dans l'éducation. Comment soutenir les élèves et les établissements défavorisés, coup de projecteur sur la France*.

20. Dubet, F., Duru-Bellat, M. and Veretout, A. (2010), *Les Sociétés et leur école. Emprise du diplôme et cohésion sociale*, Paris, Seuil.

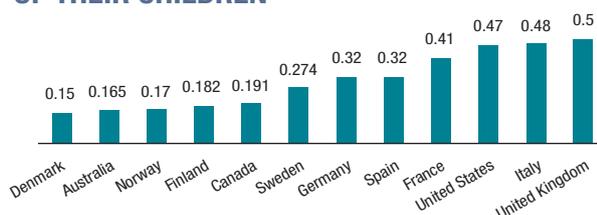
21. Insee (2011), *Employment survey*.

22. Adult Education Survey (AES), Eurostat, 2013 wave.

23. On average, it is estimated that a 10% increase in time devoted by an adult to education or training results in an increase in the likelihood of being employed of nearly 0.4 point. See OECD (2004), 'Améliorer les compétences : la formation permet-elle d'accéder à des emplois plus nombreux et meilleurs ?', in *Perspectives de l'Emploi*.

Such inequalities have an impact on the individual's career path. Social mobility in France has in fact progressed very little over recent decades. Indeed, since the 1980s, around a third of individuals have belonged to the same socio-professional category as their father.²⁴ In 2003, 52% of men aged 40-59 years who were the sons of senior executives were themselves senior executives, whereas only 10% of those of the same age who were the sons of labourers held executive positions, according to the latest INSEE data available.²⁵ 46% of those who were the sons of labourers, on the other hand, were themselves labourers, as opposed to 10% of those whose fathers were senior executives. This poor level of mobility places France behind Germany and even Spain in international terms, as shown by a number of recent studies on social mobility measured based on intergenerational changes in salary.²⁶

CHART 6
LINK BETWEEN PARENTS' PAY AND THAT OF THEIR CHILDREN



Interpretation: The higher the value, the greater the transmission of income levels between generations and therefore the lower the level of intergenerational mobility in terms of income.

Source: OECD 2010, taken from D'Addio (2007), estimates taken from various studies.

Owing notably to a slowdown in growth, inherited wealth should also have an increasing impact on the structure of inequalities over coming decades²⁷, which will do nothing to encourage social mobility.

On the whole, the risk no longer appears to be distributed either equally or at random. The 'veil of ignorance' on which the creation of the social model was based, that is the premise of a certain equality with regard to the likelihood of the risk occurring, has been 'shredded'²⁸, and individuals are not equally 'equipped' to deal with it.

PROSPECTIVE ASSESSMENT

A MODEL UNDER PRESSURE FROM MULTIPLE ANGLES OVER THE NEXT DECADE

The financial sustainability of social protection is weakened

In a context of underemployment and poor growth, which automatically reduces the proportion of social contributions in revenue²⁹, the financial sustainability of the system would appear to be something of a problem with regard to the needs to be funded. The four branches of the basic compulsory social security system are expected to be €9.3 billion in deficit by 2017, according to the assumptions on which the 2013 French Social Security Financing Act is based. The Cour des Comptes, for its part, estimates that the cumulated deficits of the family and health branches will reach €72 billion by 2018, with those of the old age branch and the *Fonds Solidarité Vieillesse* ('Old-Age Solidarity Fund') reaching €70 billion.³⁰

Increased segmentation of the labour market

The polarisation of jobs at the two extremes of the qualifications scale, as observed in all advanced economies³¹, is expected to continue over the course of the next ten years. Executive and middle-management positions could account for over 40% of jobs by 2020 as opposed to 35% in 2000, whilst the proportion of jobs for labourers and skilled workers is expected to decrease and that of lower-skilled jobs to remain stable.³² Given the high level of duality of the French job market, this polarisation of employment could result in an increase in socio-economic inequalities, with a risk of reduced job security for the least skilled, increased competition and loss of social position, particularly where recent graduates are concerned, and ultimately a risk of isolation for those employees starting from the bottom of the job ladder.

24. Peugny, C. (2013), *Du destin au berceau*, Paris, Seuil.

25. Insee (2006), *Données sociales, La société française*: www.insee.fr/fr/themes/document.asp?reg_id=0&ref_id=donsoc06ym.

26. D'Addio, A. (2007), 'Intergenerational Transmission of Disadvantage: Mobility or Immobility Across Generations? A Review of the Evidence for OECD countries'.

27. Piketty, T. (2013), *Le Capital au XXI^e siècle*, Paris, Seuil.

28. Rosanvallon, P. (2011), *La Société des égaux*, Paris, Seuil.

29. In 2010, more than three-quarters of the resources received by the social protection system were based on earned income (Haut Conseil du Financement de la Protection Sociale, 2012).

30. Annual report on the application of Social Security financing laws (2013).

31. Autor D. H. and Dorn, D. (2009), 'The growth of low skill service jobs and the polarization of the U.S. labor market', *NBER Working Papers*, n° 15150, July.

32. CGSP, *Prospective des métiers et qualifications*, yet to be published.

Emerging social model organisation principles

France is an open and global European economy, and this integration has notably resulted in the increased weighting of the principles by which its social model is organised within the national debate, driven notably by the European Commission and the OECD and having an impact on the debate on the future of its social model. Indeed, the activation of social expenditure and individualisation are of particular importance. This activation positions the provision of social benefits within a compensation-driven approach, placing the emphasis on individual responsibility and independence. These principles challenge the organisation of the welfare state, encouraging a move away from a collective approach in favour of an individual approach, from a solidarity-driven approach to a responsibility-driven approach. The increasing value placed on such approaches also relates to the economic and social developments specific to post-industrial societies since the 1980s where the 'Age of Singularity' comes into play.³³

A MODEL THAT WOULD APPEAR TO BE LESS AND LESS SUITED TO CURRENT AND FUTURE SOCIO-ECONOMIC DEVELOPMENTS

Its founding principle, job market participation, is in decay.

France has suffered from chronic structural unemployment of over 7% since the 1980s, and the outlook is far from optimistic.³⁴ As far as employees are concerned, the French job market is also characterised by a high level of duality between permanent contracts and so-called 'atypical' contracts and by a low level of professional mobility between these two segments. The proportion of employees recruited on fixed-term contracts (CDDs) has tended to increase since 2000, reaching just over 82% in the first quarter of 2013.³⁵ This increase stems notably from the high rate of rotation of such particularly short-term contracts (for example, half of those contracts in the tertiary sector lasted a month or two,

as opposed to a little under 40% of those in the industrial and construction sectors). The weighting of temporary jobs in France had increased from 6% in 1982 to 15.1% in 2012. The rate of transition to sustainable employment in France is also one of the lowest in the European Union, standing at 10.6% in 2010 as opposed to the EU-27 average of 25.9%.

With social rights in France being linked to employment status, both underemployment and the fragmentation of working patterns raise questions with regard to the appropriateness of and the terms by which employment can maintain a central role in the model (issues relating to the portability of social rights and the securing of professional pathways). This matter is all the more crucial given that job market participation does not always guarantee decent living conditions. Indeed, even when benefits and social transfers (employment bonuses, housing allowances, etc.) are taken into account and spouse's income included, a million people in employment still live below the poverty line (50% of the average income), with this number increasing by 83,000 between 2003 and 2010.³⁶

Not enough consideration is given to new social risks and the pluralist dimension of the inequalities at play

Social protection fails to take proper account of new social risks, such as ageing, single parenthood, the downgrading of jobs, poverty among children and young people, etc. The social model is also poorly adapted to the pluralist dimension of the inequalities at play, which stems not only from the multiple reasons behind them (gender, place of residence, ethnic origin, disability, etc.³⁷) but also from the diversity of their consequences (income, access to the job market and services, etc.).

As a result, significant inequalities exist in terms of access to essential services, with such inequalities affecting the public services at the heart of the model and having both social and territorial dimensions, such as in the field of healthcare.³⁸ Over the 2000-2008 period, differences in life expectancy between executives and labourers, for example, reached 6.3 years for men and 3 years for women.³⁹ Access to care is limited in rural areas with a low population density⁴⁰, which suffer from both a scarcity of community-

33. Rosanvallon, P. [2011], *op. cit.*

34. According to the eCAS-DARES forecasts, the rate of unemployment could reach 8.5% in 2020 based on an average annual growth in the GDP of 1.9% between 2010 and 2020 ('Les métiers en 2020', *Dares Analyses* n° 22, March 2012).

35. 'Les mouvements de main-d'œuvre au 1er trimestre 2013', *Dares Analyses*, n° 53, 2013.

36. Insee data.

37. Such inequalities are specifically dealt with in *Which Republican Model?*, CGSP, september 2013.

38. Rican, S., Jouglu, É., Vaillant, Z. and Salem, G. [2013], 'Les inégalités territoriales de santé' in Laurent, É., *Vers l'égalité des territoires. Dynamiques, mesures, politiques*, rapport du ministère de l'Égalité des territoires et du Logement.

39. Insee data.

40. Coldefy, M., Com-Ruelle, L. and Lucas-Gabrielli, V. [2011], 'Distances et temps d'accès aux soins en France métropolitaine', *Questions d'économie de la santé*, n° 164.

based care (general practitioners) and being remote from specialist care (specialist consultants). Social and territorial inequalities also concern access to other essential day-to-day services, such as housing, culture, banking inclusion and even public transport and digital technology. In the case of the latter, inequalities relate to network access possibilities (rural areas and small businesses still have very inconsistent access to high speed broadband) as well as the issue of fixed and mobile device availability. As a result, digital exclusion persists among the most fragile segments of the population (the elderly, those on low incomes, those without qualifications, etc.), with the risk of such populations becoming increasingly marginalised.

Indeed, inequalities in terms of access are also evident *through* the lack of take-up due to an absence of the necessary financial resources (the issue of 'co-payment', particularly with regards to healthcare expenditure), through lack of familiarity with the offering and even through fear of stigmatisation.⁴¹

AN INSUFFICIENTLY PREVENTIVE MODEL

In a context of emerging new risks (long-term unemployment, social exclusion, dependency, etc.) and budgetary restraints, the French social model is often deemed to be inefficient because it is based far more on a curative approach rather than on a preventive one:

- ▶ in the field of *healthcare*, the amount of expenditure devoted to prevention (vaccination programmes and public health campaigns, particularly aimed at fighting alcohol and tobacco addiction) falls below the OECD average, at 2.1% as opposed to 2.9%;
- ▶ in terms of *employment* policy, operational expenditure in the French job market is primarily devoted to maintaining income levels in the event of loss of employment (60% of operational expenditure in the job market in 2011 according to Eurostat), rather than to active expenditure. Whilst it has gained in significance over

the past twenty years, active expenditure accounted for less than 30% of expenditure on employment in 2011 as opposed to over 40% in the Nordic countries.

Social investment as an indicator of preventive expenditure

There is no consensual measurement to date of what the 'preventive' or 'curative' elements of social expenditure represent, with both concepts being discussed within each cost item. In any case, a growing amount of literature is using the concept of 'social investment' to give an element of theoretical content to the idea of preventive expenditure. According to this approach, which is encouraged by the European Union⁴², it is about preparing rather than repairing, by supporting and by 'equipping' individuals with the tools they need to protect themselves against new social risks, which include poverty and exclusion relating to the downgrading of jobs, inactivity among women (having children at home can be an obstacle to a woman returning to working life), intergenerational transmission, etc. Social expenditure is considered a necessary investment for the purposes of meeting such needs and ensuring high levels of sustainable growth, with social protection becoming a productive factor. This approach which results in educational expenditure being incorporated in the field of social expenditure seeks to combine an individual capability-based approach with a high level of investment on the part of the State *in the form of* increased social expenditure.

Based on the widely-accepted definition⁴³, we might attempt to objectify social investment as a composite indicator. The latter can be used as a good means of approximating preventive expenditure, by combining all social expenditure devoted to preventing the risk of lifelong social exclusion from the job market.⁴⁴ In this version, which certainly leaves room for improvement since it notably fails to take preventive healthcare expenditure into account, Sweden has the highest rate of social investment expenditure in relation to the GDP (15% in 2009), followed by France (11%), due to the high level of family benefits and expenditure on

41. Hamel, M.-P. and Warin, P. [2010], 'Non-Recours (*Non-take-up*)', in Boussaguet, L., Jacquot, S. and Ravinet, P. (dir.) [2010], *Dictionnaire des politiques publiques*, Paris, Les Presses de Sciences Po, 3rd edition.

42. The Commission presented a 'social investment package' in early 2013, providing Member States with a series of guidelines for developing 'more efficient and more effective' social policies.

43. Hemerijck, A. [2012], 'When Changing Welfare States and the Eurocrisis Meet', *Sociologica*, 1/2012; De Deken, J. [2012], 'Identifying the skeleton of the social investment state: defining and measuring patterns of social policy change on the basis of expenditure data'.

44. From early childhood expenditure designed to promote early socialisation – which correlates with academic success – to the collective management of dependency designed to help limit the professional withdrawal of working women in their fifties. The indicator currently being developed at the CGSP ('Policy Planning Commission') is a simple aggregate of the following cost items, taken from Eurostat databases: measurements of work life/family life balance; income substitution in the event of pregnancy, including parental leave benefits, childbirth allowances, family allowances, childcare centres and home-based childcare assistance; early education and socialisation [ISCED 0 to 6, with childcare centres being accounted for in the field of conciliation]; active job market policy; rehabilitation: assistance with everyday tasks, care allowances, accommodation, economic integration of disabled persons, readaptation; dependency management: assistance with everyday tasks, care allowances, accommodation.

education for children under 6. The indicator therefore places France above Germany and the United Kingdom. However, calculated per inhabitant in terms of purchasing power parity, France's level of social investment expenditure would appear to be on par with that of Germany, behind Sweden and ahead of the United Kingdom.

Examples of preventive expenditure in the early childhood and education spheres

Of course, the efficiency of expenditure depends not only on the level of expenditure but also on the way it is distributed. From this perspective, assessment results would suggest that preventive expenditure targeted at the earliest possible intervention is the most effective. Early intervention among young children and their families (parenting support, intervention among children from disadvantaged backgrounds, etc.), for example, would be particularly effective. The most commonly presented assessment, undoubtedly because it was carried out over a long period of time, relates to a programme initiated in Michigan, USA, in the 1960s among African-American children of 3 to 4 years of age. The children participating in the study were followed for nearly forty years, with the last assessment carried out in 2005. The results show that the test group obtained better results in terms of social integration. A number of players have also attempted to quantify the costs and benefits to the community of such preventive initiatives; indeed, the cost of the initiative (early schooling and parenting support) is \$20,000 less than the benefits obtained by the time the child reaches the age of 27.

Without drawing on longitudinal studies of this scope, a number of European studies have attempted to calculate the return on investment for the community of providing certain public services, particularly with regard to childcare facilities. One study⁴⁵ conducted in France claimed that obtaining a place in a childcare centre had a positive effect on activity levels among women, of all levels of qualification, and indicated a 15% difference in full-time employment among mothers who had managed to secure a place in childcare. Taking the basic value of a full-time job to be €40,000 (the average wage in France), the wage gain made by mothers stands at €6,000 per year. The impact on the community is yet to be assessed, but we can reasonably assume that it will be a positive one.

TABLE 3
HIGHSCOPE PERRY PRESCHOOL:
NET COST-BENEFIT VALUE UP TO
27 YEARS OF AGE (IN DOLLARS)

1. Cost of preschool for children 3-4 years of age	12,148
2. Reduction in cost for the government in terms of specialist K-12 education for children (from nursery to Year 1), 5 to 18 years of age	6,365
3. Reduction in direct costs of the criminal justice system with regard to the child's criminal activity*, 15-28 years	7,378
4. Reduction in direct costs of the criminal justice* system with regard to the child's projected criminal activity*, 29-44 years	2,817
5. Additional income generated through the child's employment, 19-27 years	8,380
6. Projected additional income generated through the child's employment, 28-65 years	7,565
7. Reduction in the tangible losses of crime victims, 15-44 years	10,690
Total benefits	43,195
Total benefits excluding projections**	32,813
Benefits minus costs	31,047
Benefits minus costs excluding projections**	20,665

Notes: all values are stated net in dollars from 1996 at point 0, calculated with a discount rate of 4%.

* The direct costs of the criminal justice system are the administrative costs of incarceration.

** Benefits deriving from the projected reduction in criminal activity (4) and the anticipated additional income generated through the child's employment (6) are excluded.

Source: Heckman, J.J. [2004], 'Investir auprès des jeunes enfants' Public lecture at the University of Montréal.

These gains in preventive investment would suggest that the balance of social expenditure allocation in France could be redressed to enable the community to take care of children under the age of 6. Despite a high level of investment in the funding of primary and secondary education establishments (4.1% of the GDP in 2010, slightly above the OECD average), we notice that the distribution of expenditure between the two cycles (primary and secondary) is imbalanced in this country, with expenditure per high school student 38% higher than the OECD average and 17% lower for the primary education sector. A significant amount of cognitive learning takes place in the early years of a child's life and one of the most effective educational strategies for the public authorities involves investing from the very early years right through to the latter part of secondary education.⁴⁶

45. Maurin, E. and Roy, D. [2008], *L'effet de l'obtention d'une place en crèche sur le retour à l'emploi des mères et leur perception du développement de leurs enfants*, www.cepremap.fr/depot/docweb/docweb0807.pdf.

46. OECD [2012], *op. cit.*

PRINCIPAL ALTERNATIVES

Based on the premise of equality with regard to risk, the French social model now appears somewhat inappropriate given the changing social needs and the increased inequality with regard to risks. It is also faced with reluctance on the part of certain groups to contribute to the pooling of risks in the name of collective social protection and centralised management and with the increase in individualistic values. It needs to give itself the means to equip individuals facing a risk while ensuring the social cohesion of French society and adhesion to the objective it has been assigned. The workplace is a common thread in all of these options, and plays a central role in the French model and in the foundations of economic citizenship.

TO WHAT EXTENT IS SOLIDARITY TAKEN INTO ACCOUNT IN THE SOCIAL MODEL?

Solidarity in the French social model is initially dependent upon job market participation and based on the premise of the equality of all citizens with regard to the likelihood of risk materialising. Given the new social risks and the pluralist dimension of the inequalities facing modern-day society, the protection provided has gradually had to become more universal. This progression has more often than not been dictated by pragmatism without any choice being made on the part of the citizen regarding the respective roles of employment and solidarity within the model. Solidarity can be understood in the following two ways:

- *solidarity towards the most disadvantaged*, which implies the full adoption of the assistance-based approach on which social protection is increasingly based, by targeting benefits more towards those who need them the most. Such a concept would require a consensus to be reached with regard to determining the most intolerable situations which require public intervention in the form of assistance. Such transfers would also serve to encourage social mobility by avoiding confining certain individuals to the margins of society;
- *unconditional solidarity*, whereby individuals are granted social rights independent of their socio-economic situation. The introduction of universal rights would mean no longer linking social rights to employment but rather to the individual, and increasing such rights to take into account new social risks. In this case, this would

involve providing all individuals with equal access to such rights, giving them equal ability to deal with risks and encouraging a more social rather than economic form of citizenship. The objective here is to strive for equality for all and to reduce inequalities between social positions, which would imply defining the scope of the social rights relating to public intervention and arranging the adjustability thereof.

The aim is to strengthen social cohesion and to establish a sort of moral contract between individuals and society. The fact nevertheless remains that, in a context of budgetary constraints, the contribution of all citizens to collective production is essential to the financial sustainability of the model. As a result, solidarity should also be considered in the framework of reflection on the corresponding rights and duties.

Issues for discussion

- ▶ What social risks should the community cover?
- ▶ How much importance should the social model place on the principles of universality, contribution and redistribution, respectively?
- ▶ What targeting criteria, other than income, should be used to classify individuals as disadvantaged?
- ▶ What should we expect in return for solidarity - employment, investment in community activities, civic service initiatives, etc.?
- ▶ What role does employment play within the model (activation of assistance expenditure, resources allocated to securing career paths, employment protection level, etc.)?
- ▶ What balance should be struck between private and collective insurance? Should a common social protection floor, supplemented by a tailored social protection system, be developed?

WHAT ROLES DO TAX, TRANSFERS AND PUBLIC SERVICES PLAY IN REDISTRIBUTION?

The redistributive effect of the French social model depends on the following factors:

- ▶ redistribution in cash, which is based on three instruments, these being benefits, income taxation and social contributions;
- ▶ redistribution in kind *by* means of the provision of free public services, which are tools for redistributing resources between all citizens.

In recent times, the redistributive effect of the traditional redistribution channels (benefits and income tax) has decreased, whilst that of social protection funding has increased. Public services would appear to be the most effective instruments of redistribution in terms of reducing inequalities in standards of living between individuals.

Should we choose to place greater importance on fighting inequalities in the social model, a clear strategy should be outlined with regard to the proportion that should be assigned to each of these tools in the redistribution, at a given budgetary cost. This issue relates to both the terms by which social protection is funded and the level of redistribution we wish to achieve within the social model.

Particular consideration should be given to funding the insurance and assistance-related component of social protection and to its redistributive effect; contributions are only paid by those who work and funding by means of income tax in its current form means that only part of the population is affected by this solidarity.

Placing greater priority on fighting inequalities implies greater use of tax as a central redistribution tool and giving greater consideration to both its progressiveness and its assessment basis. The provision of high-quality universal public services must remain a significant component of the redistributive model but their cost-free nature is open to debate.

Such issues cannot be considered independently of those of the cost competitiveness (cost of employment, methods for determining and negotiating salary, etc.) and non-cost competitiveness of French businesses, or indeed of the methods by which the model is governed (respective roles of the State and of social partners).

Issues for discussion

- ▶ Which method(s) of funding represent(s) the best compromise between fighting inequalities (redistribution aspect) and the issues associated with cost competitiveness (funding aspect) ?
- ▶ Should the funding of the model be extended in the form of greater involvement of all citizens (moving towards a merger of income tax and CSG general welfare contributions, for example)?
- ▶ How should public services be funded?
- ▶ Can employment protection be used as a tool in the fight against inequalities?
- ▶ Can social public order (employment regulation can only revert to a lower level if it is more favourable to the employee) and the role of social dialogue be considered adjustment variables in terms of this redistribution?

WHAT PROPORTION OF RESOURCES SHOULD BE TRANSFERRED FROM CURATIVE ACTION TO PREVENTIVE ACTION WITH REGARD TO MODERN-DAY RISKS?

Social protection is designed to reflect limited social risks, from an insurance-based perspective. The occurrence of a risk (sickness, unemployment, old age, family-related expenses, etc.) implied the adoption of an income support mechanism consisting of the payment of benefits. The financial sustainability and efficiency of the social model are now threatened by the persistence of, partly long term, mass unemployment, which leads to questions regarding its future. The challenge is to adapt the model so that it gives greater consideration to new social risks and the pluralist dimension of the inequalities at play, notably by working on improving an individual's ability to cope with them.

To this end, beyond the expenditure associated with maintaining and supporting employment-related income in the event of a risk of unemployment, sickness or family rupture, expenditure could be directed towards social investment aimed at reducing inequalities with regard to risk at an early stage and equipping individuals with the tools they need to make free and independent choices. It would not be a case of reducing social expenditure but rather of redirecting it in a manner that such expenditure becomes a productive investment allowing for an increase in both the quantity and the quality of human capital. With regard to quantity, the challenge would be to involve the greatest possible number of people in production, by supporting the birth rate, by increasing employment levels among women and senior citizens and by preventing the long-term exclusion of certain people from the job market. With regard to the quality of human capital, it would be a case of investing in lifelong learning, from early childhood right through to continuing vocational training, and improving job quality.

Such social investment should result in an improvement in the non-cost competitiveness of France by increasing the level of human capital and the quality of public services, but these directions must be consistent with the choices made in relation to the productive model and with the development of skilled employment in order to avoid any misuse of human capital or downgrading phenomena. Such investment could also help combat the polarisation of employment patterns, which is expected to intensify over the course of the next decade.

If the focus is to be more on preventive expenditure, it is important that those initiatives that are most likely to prevent the risks be identified beforehand as follows:

- ▶ by target audience (combination of early prevention among vulnerable populations and a necessary maintenance of curative expenditure in certain situations);
- ▶ or by type of risk.

■ Issues for discussion

- ▶ Where should the line between curative and preventive expenditure, particularly where education and training are concerned, be drawn?
- ▶ With this in mind, what balance should be struck between assistance expenditure and preventive expenditure?
- ▶ Given the budgetary constraints at play, what sort of sequencing should be adopted with regard to the reallocation of expenditure; how could funds be allocated to social investment with anticipated long-term effects whilst maintaining curative expenditure related to compensation/benefits?
- ▶ Should we expect all social expenditure to provide a return? Is certain expenditure not based on solidarity alone?
- ▶ What sort of return can we expect on such investment? What indicators can be used to assess it?
- ▶ How are such social investment policies managed?

QUELLE FRANCE DANS 10 ANS?

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At the governmental seminar held on August 19, 2013, the Head of State wished to begin, without waiting, a widely-concerted process relying on joint efforts to elaborate a 10-year strategy for France.

The definition of such a strategy includes several objectives:

- Establish a path that permits the country to move forward with points of reference and indicators clearly identified.
- Engage in collective choices that regulate the major transitions.
- Adapt policies and instruments according to the objectives set.
- Initiate an extensive dialogue with everyone concerned.

At the end of the seminar, the Prime Minister entrusted the *Commissariat g en eral   la strat egie et   la prospective (CGSP)* with the preparation of this project, identifying notably five major issues: the future of the production model, the reform of the social model, the sustainability of the growth model, the transformations occurring in the French society and the European project.

The CGSP report will be handed over to the Head of State and the Prime Minister at the end of 2013. In particular, this report will have the goals of:

- Clarifying a certain number of prospects for the next ten years through a prospective assessment based on the most common findings.
- Proposing among possible choices a limited number of national priorities.
- Setting concrete and quantitative objectives concerning these priorities in order to mobilise the relevant stakeholders and the society as a whole, beyond a single Parliament's term.

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