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THE FRENCH MODEL:
RELIC OF THE PAST
OR
BLUEPRINT FOR THE FUTURE?

Chairman’s Summary of Bordeaux Conference Results

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Les Dialogues de Bordeaux
LE MODELE FRANCAIS :
QUELLES LECONS STRATEGIQUES POUR LE MONDE DE L’APRES CRISE ?
Bordeaux : 23-25 Novembre 2010

Sous le Haut Patronage de Monsieur Alain Juppé
Maire de Bordeaux
Ministre des Affaires Étrangères de France
Ancien Premier Ministre
For good or for ill, France has been an important influence on the world since at least the French Revolution. Indeed, the two major events which have shaped the politics of the 19th and 20th centuries were the British Industrial and the French Revolution. Britain has now shed most of its industrial base but is still a world finance centre. France has managed, through La Francophonie, the European Union and a multidimensional foreign policy to remain a world leader in terms of political and social thinking. Interestingly, its influence goes far beyond its real objective strength. It is a relatively small country (number 42 in the world, with a population of 65 million (number 21 in world rankings)). Its GDP ranks 9th of 194 member States of the UN; yet its influence is still significant. Although not a superpower it is one of the most significant global middle powers.

The major questions arising from the analysis of contemporary France are two: (1) Is there really such a thing as a FRENCH MODEL and, if so, and what are its defining characteristics? (2) What are its strengths and weaknesses and most importantly, should it be considered it a relic of the past or a blueprint for the future?

The Dialogues de Bordeaux Conference attempted to begin to answer these questions on a sectoral basis. In this article, I am proposing a ‘chairman’s summary’ of the proceedings with some subjective dimensions. It is not meant to be a true integration of all the results which, will soon be available, in a separate publication. This summary is both burdened and benefited by the fact that this writer is not French and therefore attempts to present a perspective of France, which may be possibly less obvious to native Frenchmen.

What Are The Defining Characteristics Of The French Model?

Beyond initial skepticism to the effect that there is no such thing as a French Model, careful analysis reveals that there is, indeed, a Made-in-France world view, which actually predates the French Revolution and may be traced back to Jean Baptiste Colbert, the ‘Intendant’ of Louis XIV, who introduced the political theory later known as ‘Colbertism’

Seen with contemporary eyes, the French Model boils down, in our view, to two elements (1) A strong projet de société and (2) The active use of the State to bring it about rather than relying entirely on market forces.

The very notion of a projet de société is French, since no satisfactory equivalent exists in other languages. The attempt to translate it into English as a ‘societal project’ immediately conjures up images of totalitarianism and absence of liberty. Yet in the French notion, the projet de société is a vision of a desirable society which requires the intense focusing of national energies to implement it.

The French Projet de Société is rooted in the core values of the Republic, namely the original, Liberty, Equality, Fraternity of 1789 coupled with ‘laicité’ (separation of religion and State), solidarité (leading to a sort of a welfare state), and a meritocracy to select the best people to lead the country.

To achieve these goals requires, in the French view, an active State which performs functions that go beyond the
pure regalian ones of defence of the realm and the maintenance of public order. The Colbertian State is a regulator, an innovator, a match maker, favoring strategic alliances between private sector firms to increase national competitiveness and, in contemporary times, also, a redistributor of wealth to achieve better social equality.

From the Colbertist policies of Louis XIV (L’Etat c’est moi), to Nicolas Sarkozy, the role of the State remains high and the libertarian philosophies, typically found in Anglophone countries, that favor very small government are largely absent in France. Even the French Extreme Right is more interventionist than the centrist political parties in the Anglophone world.

**Major Strengths and Weaknesses**

What are the principal strategic lessons which emerge from this first look at the French Model and can they be applied elsewhere? We identify seven.

1. **A strong infrastructure and high quality public goods**

   Infrastructure is one of France’s strongest points. Sixteenth in the world in number of airports and waterways, ninth in the world in rail track and seventh in road surface, with the TGV and previously the MINITEL, France clearly shines in this area. French engineers are commissioned to replicate this infrastructure in some foreign countries, especially in Europe.

   France’s emphasis on ‘public goods,’ the maintenance of well designed cities and its long term focus on aménagement du territoire make it a leader in this area. On the whole, the importance the French attach to public goods is in marked contrast, for instance, to many other countries where the focus is on private goods. As an example, the downtown core of most French cities, compares very favorably, with that of many American cities which tend to be neglected and run down, while gated private residential neighborhoods flourish in the suburbs.

   What is noteworthy is that the French infrastructure has been built largely with state participation and more recently with PPP (public private partnerships). The efficacy of PPPs is documented in the article on the economic model, in the full publication of the Bordeaux results (Presidency Key Brief, Issue 3, May 2011).

2. **A Generous System of Social Protection**

   Decreed by some and lauded by others, the French social protection system is considered among the most generous in the world. To the rhetorical question which we asked when I was ambassador of Canada at the OECD: if you have to choose between the lesser of two evils, would you rather be poor in the U.S. or unemployed in France?, the obvious answer is ‘unemployed in France.’

   Workers without jobs are certainly better protected in France and in the European Union in general. By and large the welfare state in France is above the European Union norm, which itself is higher than that in the United States and Britain.

   Of particular note, although not studied intensively in this conference, is the healthcare system, also considered among the best in the world. Not fully privatized as the U.S. system, nor fully state-run as the Canadian, the mix of, once again, public-private partnerships, seems to function reasonably well.

   The major question raised, in the conference was: Can France afford such a generous social protection system in the face of very intense global competition? Even, within Europe, the impact of the 35-
hour work week has led to a flight of capital to other countries within the European Union and beyond.

In addition the high taxes, necessary to fund Colbertist policies have also taken a major toll by promoting mobile capital and footloose corporations and individuals to move to nearby tax havens, like, for instance, Switzerland. As one observer put it. *La France est peut-être un paradis, mais certainement pas un paradis fiscal.*

(3) A High Quality of Life

Although it is fashionable in all countries to complain about general conditions *(nul n'est prophète dans son pays)* both statistical and anecdotal evidence confirm that for many observers the French Model is synonymous, with high standards of quality of life.

At the anecdotal level, French haute cuisine, haute couture, the arts etc. make France a leader in these fields. France is the most visited country in the world and many wealthy individuals who could live anywhere choose to live in that country.

But beyond anecdotes and impressions, France has one of the highest life expectancies in the world, is third best in obesity in Europe, sixth best in poverty alleviation in the OECD and has significant world class leisure industries. In fact, the French demand for leisure as evidenced by the quest for early retirements, frequent long weekends throughout the year and 4 to 6 weeks of *grandes vacances* stands in marked contrast with the more work ethic minded Anglophone and northern European countries. What is paradoxical and surprises many observers is that the French worker’s hourly productivity is among the highest in the world, 16% above the OECD average and on a par with that of the U.S. Perhaps this amounts to a vindication of the doctrine of ‘doing more with less’ or of working smarter rather than harder.

(4) The Dilemma of Diversity

The Bordeaux round table on the management of diversity, identifies a major malaise facing not only French society but most others too. With globalization and massive migration, unitary and homogenous states are now facing increasing diversity. The French Model has emphasized the primacy of the French language and the values of *laicité* or a strict separation of Church and State. These core values are now in contradiction with multi-lingual immigration and religious diversity. Whereas Canada, for instance, encourages and subsidizes multiculturalism, France, although open to immigration, wishes to subsume immigrants and foreign cultures into French culture. The State will not subsidize foreign language learning as an alternative to French, which remains the sole official language of the Republic.

Interestingly, English is not the only official language of the United States, since some states recognize Spanish, in deference to the large number of Hispanic Americans. In France, the defence of the French language is paramount, even though, on a comparative basis, Québec takes much greater pains to translate everything into French while France tolerates many anglicisms and even invents some like ‘le footing’ and ‘le pressing’ and ‘gas oil’ for diesel fuel, expressions which are not used in the English speaking world.

This dilemma of diversity tends to be even stronger in France than in most other countries, because of the very nature of the French projet de société which is, almost by definition unipolar and centrist. It would therefore appear that the integrationist approaches such as France’s
will inevitably clash with the ‘mosaic’ multicultural approaches of countries like Canada. The European Union itself is a bit of a cross between the two, emphasizing on the one hand core European values and on the other extreme multilingualism with a large number of official languages, although informally, English predominates.

A Political System in Transition

The French political system as designed by the French revolution and its heirs has evolved over time and has led to five different republics, each with its own constitution. The system of laws and checks and balances is strong, yet there are serious flaws. The possibility of multiple jobs by civil servants and politicians (*cumul des emplois*), the lack of term limits to elected office, and the trend towards ‘demagoguery’ rather than real democracy weakens it.

The round table dealing with this topic made some proposals and recommendations. They are worthy of consideration because the political and democratic problems facing France are very similar to those facing most other Western countries. This means that a comparison of solutions will be very useful.

Interesting Experiments in Environmental Management

In a world increasingly concerned with the imperative of sustainable development, how is France doing in the field of environmental management? The most important single initiative was the creation of the *Grenelle de l’environnement*, a sort of public private continuing conference on how best to protect the environment. This has led to some positive outcomes. But the mixed review is due to slow or inadequate implementation. Nevertheless the strong role given to the French environment minister within the French Cabinet is positive evidence that the State takes ecological problems seriously. In addition, French defence of better environmental management in world fora (such as climate change conferences, the G8 and G20, etc.) has always been vigorous and must be considered a plus.

In addition, some pilot projects which have be emulated elsewhere were pioneered in France. The Bordeaux downtown core is automobile-free and the city boasts the longest pedestrian mall in Europe. Paris has the VELIB (rented bicycles as an alternative to private and public transportation). These bode well for the future, especially if adopted at the European level.

A Mixed Grade for the Educational System

The French educational system is getting mixed reviews. The primary and secondary school systems are strong. The French high school leaving certificate or *baccalaureat* is among the best in the world and the graduates tend to be well rounded, cultured individuals. In many senses, the baccalaureat was designed as a final diploma for most of the population, not the beginning of a university education. As a final diploma it is a major success.

Undergraduate studies in the public university system in France get only average grades. The relative scarcity of professors and the high student-to-faculty ratio are clear weaknesses. The French elites tend to come from the *Grandes Écoles*, an alternative to the standard university system. These, unlike the average undergraduate universities, are much stronger and are designed to produce the leaders required to govern
the country. HEC (Hautes Études Commerciales), École Polytechnique, École Nationale d’Administration, École Nationale de la Magistrature (for the education of potential judges) are all strong entrants in any international competition of institutions of higher learning.

There are however two potential flaws: The first is the élitist character of these grandes écoles and the fact that the selection procedure, to be admitted to them occurs when the applicant is between 18 and 21. If he or she misses the boat there are no make-up exams or catch-ups possible. Entire careers are decided in a very narrow age range. There is absolutely no room for late bloomers.

The second potential flaw is that the institutions of higher learning in France emphasize pure science and fundamental theory, but are weaker in developing the qualities of innovation and entrepreneurship necessary for competitiveness in the modern world. In fact, it could be argued that successful entrepreneurs and people who have managed to make a lot of money are not so well regarded as intellectuals. This is both a strength and weakness. It is a strength in that it promotes fundamental science and the pursuit of knowledge, but may be a weakness in terms of promoting initiative, risk taking and forward thinking.

Paradoxically, France and her brand of future studies known as prospective is a world leader in this discipline. But the prospectivistes do not necessarily become entrepreneurs. The low regard for entrepreneurs, which is rooted in history, acts as a brake to innovation and is an obstacle impeding the full realization of the French intellectual potential.

Conclusions

Is France a valid model for the future? On balance, our answer is yes, for three simple reasons.

First, the fact that modern Western Civilization has been strongly influenced by France, (from literature, philosophy, political theory to the Napoleonic Code, among others) is a major plus because there is a significant global intelligentsia which is still receptive to French ideas. This includes the European Union, the G8 and G20, La Francophonie (which strangely includes some non-French speaking countries), all powerful force multipliers in the battle of ideas.

Second, the very notion of a projet de société, is picking up steam, as people, throughout the world are getting tired of a purely business-as-usual existence. The projet de société is a direct intellectual descendant of the Ancient Greeks, of Plato’s Republic and of Thomas More’s Utopia. The French projet which seeks to optimize the quality of life as opposed to maximizing the quantity of goods consumed is gaining strength internationally, subtly and slowly, but quite surely. The commissioning by President Sarkozy of Nobel prize winner Joseph Stiglitz to devise meaningful indicators for ‘happiness’ rather than rely solely on the superficial measure of gross national product is an example of the French emphasis on a goal-directed society and on the need to set priorities. Happiness indexes, although still not widespread are likely to become a wave of the future and may act as a counterforce to ‘productivism’ - growth at all costs, come what may.

As an anecdotal aside, Mitt Romney, unsuccessful candidate for the U.S. presidential nomination in 2008 and a
probable candidate for the 2012 election, recently wrote a book on renewal in the U.S. and warned that America could decline and become ‘just like France.’ The NY Times columnist Gail Collins answered, in an editorial ‘what would be wrong with that? We would have good food, excellent wine and first class health care for all’. The clash of models is evident: Quality of Life vs. Quantity of Goods.

Third, it would appear that the proactive role for the State originally pioneered by Colbert is not quite the relic of the past, as passionately argued by Libertarians. The most dynamic countries in the world today are the BRICs (e.g. Brazil, Russia, India, China). They all practice forms of proactive state interventions in the economy. State capitalism, private public partnerships, currency management are all adapted forms of Colbertism. The European Union is partially Colbertist with its industrial policies. Even the U.S., the Mecca of libertarianism, has used the State for its own industrial strategies. It must be remembered that the most important single technological achievement in the U.S. in the last half century was the development of information and communication technologies. These were the direct result of the military and space programs, without which there would have been no such exponential scientific and technological growth.

To sum up then, France is certainly an ‘exceptionalist’ country. It bucks many trends and, like the U.S., even brags about its exceptionalism. As my American colleague at the OECD used to say, ‘The U.S. and France both like to drive on one way streets going the wrong way. We do it out of principle but they know where they are going.’

Exceptionalism places both countries out of step with their friends and competitors. They each march to a different drummer. In some cases, the exceptionalists lag behind, missing a beat or two. In others, they leapfrog their competitors pointing the way ahead. Vive l’Exception.