

# ANNUAL REPORT UPON THE STATE OF FRANCE IN 2011

## *The economic, social and environmental situation*

**T**he Economic, Social and Environmental Council's report upon the state of France, for the first year, takes over from the Economic Report. In the preceding works, an important place had been accorded to the crisis. It is necessary for us to go beyond the use of this term, which is sometimes incantatory, to explain the phenomena and developments which give a singular character to the current period.

The loss of value in the residential property market in the United States in 2007 led to a default in the repayment of loans, which in one year, with the deregulation of financial activities, spread to the whole of the international financial system. Only a massive public intervention is succeeding in checking it, but it is transferring the debt crisis to the States. The erosion of 10 points in 25 years from the share of salaries in the value added of OECD countries, including France, does not allow hope for rediscovering significant consumption from this source as the substitute for credit in order to increase purchasing power, which is depleted. Finally, the limits of our planet impose an imperative constraint upon human activities through the decreasing supply and increasing cost of resources and by their consequences (in particular global warming).

This convergence of factors gives the crisis a unique nature. It is multi-factorial, global and systemic. It imposes a metamorphosis, a transition, for what Edgar Morin calls a «policy of civilisation» As an «intermediate country» to use Jean-Hervé Lorenzi's expression, France has the strengths needed to achieve this mutation.

*"The era of procrastination,  
of half-measures, of soothing and baffling  
expedience of delays is coming to a close.  
In its place we are entering  
a period of consequences."*

Winston Churchill, 12 novembre 1936



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# THE PROPOSAL OF THE ESEC

## RALLY THE FRENCH PEOPLE

1. **Pursue a balanced family policy** which opens access to services and rights upon a universal basis, guaranteeing good conditions of education, training and employment for young people
2. **Reduce inequalities at a higher level and fight against poverty**, measure the practical difficulties that people face and deploy a varied pallet of redistributive policies
3. **Reform the tax systems** in order to restore confidence in contributions being shared equitably

## PROJECT OURSELVES WITHIN EUROPE

4. **Reinforce France's competitiveness within the Eurozone** in particular in terms of quality, R&D and employees' skills
5. **Set in motion profound changes in the European Union**, open public debates upon the unification plans for the Eurozone

## CONTRIBUTE TO THE CONSTRUCTION OF THE WORLD

6. **Confirm the responsibility of each policy** in facing the threats of overexploitation of the planet
7. **Spread this message in international fora**, starting with that of the EU
8. **Set an example** and adopt a path of development that accords with our recommendations

## IMPLEMENT SOME PRIORITY GUIDELINES, WITH EACH ONE AIMING TO IMPROVE COMPETITIVENESS, FAIRNESS AND SUSTAINABILITYÉ

9. **Purge the past**, which is to say to contain and reduce our public debt **whilst investing** in the training of younger generations, in infrastructure and in the industrial sectors of the futurér
10. **Use signal prices** (including taxes) more in order to allow the collective consequences of individual choices to be taken into account
11. **Reform tax contributions** in an endeavour to achieve simplification and better transparency, (to be referred to the ESEC imminently)
12. **Draw up a plan for sustainable consumption** accompanied by annual monitoring
13. **Pursue together with the ESEC** the determination of indicators of well-being and sustainability, to popularise and use them in order to evaluate public policies

# ANNUAL REPORT UPON THE STATE OF FRANCE IN 2011

The French people have little confidence in the collective future while major developments entail a new era. The crisis has worsened the situation of many French people. It would be absurd to deny the difficulties. It is necessary to strive to carry out a realistic assessment, then to envisage the future and prepare for it. The long term, which is essential, is all too often neglected.

*French society is becoming more and more fragmented...*

both as regards incomes and assets as well as culturally.

The French people are more worried about the future of their country than the average citizens of the world. They are suffering from globalization and are worried about damage to the environment. The current crisis accentuates their fears. Faced with these difficulties, they await proposals for action, a greater

***76 % of French people consider that it would be useful for our society to have a common goal which would be worthwhile to dedicate themselves***

clarity of public policies and a capacity to plan ahead. Membership of the European Union is appreciated to varying degrees. The current European Union only responds imperfectly to hopes and its benefits are rarely cited.

The French people's mistrust in the institutions is growing. They feel that they are deprived of long term vision and true choices. The politicians responsible are criticised. The role of the State has changed.

Focus upon

## THE MORAL STATE OF THE FRENCH PEOPLE

The media sometimes contributes to this lack of confidence through caricatural analyses.

The French people are worried about the future of collective solidarity systems. The crisis has accentuated mistrust concerning financial institutions and large businesses. Developments in public finances create fear. The tax and social security systems are opaque and even inegalitarian.

*...yet the dynamism of the French people displays itself in their private live*

A powerful individualisation movement is emerging, but a lot of people also engage in collective action. Close relationships are valued.

Hence, French society seems to be undergoing «archipellisation».

Young people express real concerns, in France as well as elsewhere, but they are optimistic concerning their personal live. Difficulties in finding work are impacting upon their morale. The school system excludes certain young people, but also produces top graduates. Young people's entry into working life is becoming more laborious, particularly in the overseas territories. Their jobs, which support the requirement for flexible working, do not always meet their expectations. Poor housing is also the lot of the young.



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CONSEIL ÉCONOMIQUE  
SOCIAL ET ENVIRONNEMENTAL

# THE PROPOSALS OF THE ESEC .....

## RESTORE CONFIDANCE IN OUR STRENGTHS

France has numerous strengths that are under used. France has a wealth of culture, creativity and imagination, an ability to adapt... The teaching of languages and foreign exchanges are essential. Giving all young people their chance to live in an open world.

It is necessary not to place economic performance, social cohesion and preservation of a quality environment in opposition: all three are linked. It is necessary to rebalance the State's finances without sacrificing the essentials, investing in the future by promoting research, competitive clusters, the green economy, whilst improving education and supporting businesses (especially SME's and VSB's).

## RESTORE CONFIDANCE IN PUBLIC ACTION

This relates to allowing wide access to political life and facilitating accountability for young people:

- by limiting mandates in terms of time,
- by adopting a genuine set of rules for elected representatives,
- by synchronising the timing of various elections.

It also relates to restoring confidence in the fundamentals of public service and not undermining the confidence of the French people in their social security system.

The sentiment that the legal system is inefficient is notably linked to a lack in human and material resources.

It is necessary to restore young people's confidence in their professional future, to support young people towards employment and to make better use of sandwich courses. Young people without qualifications need to acquire basic knowledge. Job Centre staff must be better trained in order to meet young people's expectations.

Finally, it is necessary to recreate social cohesion in a fragmented society, to take a step back from the immediacy in order to achieve a better dialogue, by giving citizens a share in tomorrow's challenges and modernising public debate in order to build shared plans.

## RESTORE CONFIDANCE IN BUSINESS

The ESEC recommends investing in young people. In particular, access to bank loans for young entrepreneurs should be facilitated.

The participation of employees in the business should be redefined. Legislative changes should promote forms of employee participation without affecting salaries.

The ESEC suggests seeking a better balance between business and any sub-contractors on the one hand and the different stakeholders in the business on the other hand.

Generally, it is necessary to advance towards a renewed social dialogue.

## RESTORE CONFIDANCE IN EUROPE

The current period of crisis, notwithstanding its dangers, may also bring hope and progress if significant advances are decided upon, in particular in terms of social security and tax harmonisation.

## RESTORE CONFIDANCE IN OTHERS

France is developing towards greater diversity. The ESEC insists that a "social contract" be established in order to encourage living together.

The French people are collectively seeking for a long term vision. Young people must be given every chance. It is necessary that citizens judge the appropriateness of decisions made without avoiding the assessment. The current period of rupture creates a requirement to restore confidence in order to prepare for the future.

We are taking the risk of defining a strategy in order to take advantage of new opportunities.