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# **France confronts the crisis: economic symptoms exacerbate social inequality**

**Florence Jany-Catrice and Michel Lallement**

## **1. Introduction**

The economic crisis at the end of the 2000s was costly for the French economy. The number of employees in the non-agricultural market sector fell by 187,000 between the start of 2008 and the end of 2009. Never in the past forty years had job losses been so high. Overall, 412,000 jobs were eliminated in 2009. But this crisis does not boil down solely to job losses, nor even to a collapse in the growth rate (economic activity slumped by 2.2 per cent in 2009 alone): it is also rooted in economic and social inequality. And the responses provided by France's political authorities, in turn, had a distinct effect on the scale of this inequality. All of which conspires to permanently weaken the bedrock of the welfare state, and more generally the French model. We should like to demonstrate this by looking, first, at how this model evolved before the crisis. Next we shall examine the way in which France reacted to the crisis, in particular as concerns its labour market. Lastly we shall attempt to learn lessons from, and consider the implications of, the economic crisis three years after it erupted.

## **2. Transformation in the French model before the crisis**

France fared no better than other Western countries in terms of escaping the neoliberal wave during the 1990s and 2000s. With a longstanding reputation for its Jacobin traditions, among other characteristics, France no longer looks the same today as it did at the end of the twentieth century. Various factors have contributed to its transformation. The first is the abandonment of a financial system based essentially on banking. In the 1970s, 92 per cent of all investments were financed out of bank funds. Since then, financiali-

sation has made its mark, putting France among the most highly financialised<sup>1</sup> countries in the world, close behind a few tax and regulatory havens.<sup>2</sup> Several processes have contributed directly to this trend: the development of financial innovations, securitisation (a device for converting illiquid assets into securities that are easy to trade on the market) and the increasing space occupied by institutional players, such as unit trusts, pension funds and insurance companies. The consequence of such commoditisation is that, measured in terms of securities (the price of financial assets), the stock market sphere has progressively been gaining ground to the detriment of the real sphere. In 1994, bank loans accounted for 55 per cent of all funding sources available to economic operators (recourse to financial markets, self-financing). In 2000, and just prior to the 2007 crisis, this figure reached 40 per cent. What is more, borrowers are in a more awkward situation now than in past decades, as the financial system has served to make lending arrangements more fragile. Thus the financial markets have assumed a growing role in the French economy. Whereas the value of securities quoted on the financial markets was rising at a slower rate in France than in the English-speaking countries before the crisis, the rate was impressive nonetheless: the accumulation of capital represented 112.7 per cent of French GDP in 2000; by 2006 it had risen to 149 per cent.

A shake-up in the production system, in conjunction with financial change, constitutes the second noteworthy feature of recent transformations in the French economy. The 1990s saw an extensive process of financial and organisational concentration, resulting in particular in mergers and acquisitions in many economic sectors. With a view to refocusing on core business, the main challenge was to cut costs and make economies of scale so as to achieve more rapid returns on revenue-earning assets. Against a background of wage restraint, this merger strategy – which in many instances resulted in crushing failures – reinforced the fault-lines running through the labour market. Owing above all to a large phalanx of working poor, unable to meet all their needs out of their wages alone, authors began to speak of the mounting significance of a real ‘precariat’ at the centre of the French wage-earning classes (Castel 2003). French trade unionism, short of

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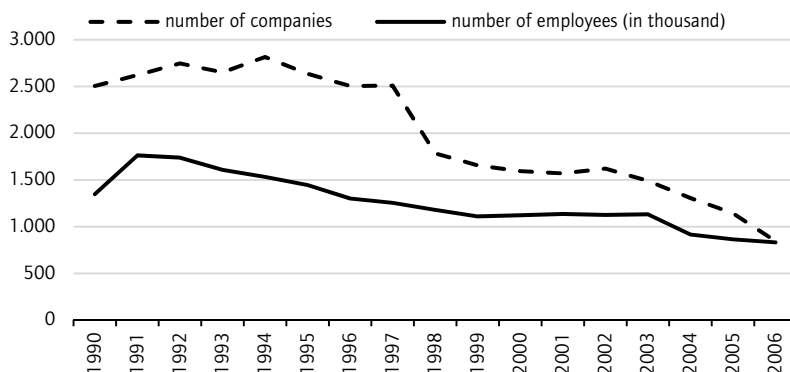
1. Meaning the activities of stock markets, bond markets and banks.

2. Luxembourg, Ireland and the United Kingdom.

members as always and more divided than ever, was as ill-equipped as others to confront this issue. Collective bargaining, having become more decentralised and much more inclined than before to countenance negotiations on labour and employment flexibility, did not facilitate the task of engaging in well-structured industrial action. Sometimes, however, protests have been initiated by a new kind of network, emerging from a better-organised civil society (the farmers' confederation, housing rights associations and so on). These groups usually act alongside, rather than in close connection with, traditional trade unions.

Third, whereas the French model had long benefited from a vast body of public enterprises, it underwent a huge upheaval: various waves of privatisation, initiated in 1987 and pursued ever since – including by left-wing governments – drove down the number of companies under majority state control by almost half (see Figure 1).

Figure 1 **Number of companies under majority state control and number of employees**



Source: List of companies under majority state control, Insee.

Moreover, numerous reforms have been made since the late 1980s with a view to relieving the debts of public enterprises and streamlining public expenditure – which often meant a withdrawal by government and cuts in public sector jobs. Other aims were to improve the supervision of such companies, carry out internal reorganisations (establishment of independent managements), transfer certain operations to local authorities, simplify and improve relations between the citizens

and the administration (for example, by setting up one-stop shops) and so on. From the former National Employment Agency to the public hospital sector, via national education and the finance and justice departments, no sector would be spared. The 2001 Organic Law on Financial Legislation (OLFL) and the 2007 General Review of Public Policies (GRPP) – French provisions enacted in the framework of New Public Management – completed the major ‘renovation’ efforts undertaken within government. The OLFL sets up a public finance management system reliant on performance-based commitments and no longer solely on the consumption of resources. It relies mainly on batteries of indicators which are supposed to reflect the outcomes of public sector activity. Because it imposes expenditure ceilings and a new means of regulating the transfer of expenditure between headings (this is the ‘asymmetric fungibility’ rule, whereby personnel expenditure funds can be diverted to other uses but the opposite is not possible), one of its effects is to limit opportunities for job creation in the public sector. As for the GRPP, its goal is to cut public spending while boosting the efficiency and quality of public sector activity.

Although they partly predated the 2007–2008 economic crisis, these measures heightened the government reforms. This applies to the 2010 pension reform which dismantles the pay-as-you-go pensions system even further, despite the fact that it was a pillar of the French solidarity-based welfare system. The reform consisted of a two-year deferral of the age of entitlement to a pension (now a minimum of 62 years) and eliminated the option of early retirement.

### **3. French reaction to the 2008 crisis**

In 2008, like everywhere else, the macroeconomic indicators for France turned red. According to the French National Institute for Statistics and Economic Studies (INSEE), GDP fell by 2.8 points between 2007 and 2009 (compared with 3.2 points on average for all the European Union countries), investment fell by nearly 9 per cent, imports by 11 per cent and exports by 12 per cent.

As for the unemployment rate, it jumped three points over the same period. Even though the situation portrayed in Table 1 looks rather bleak, France was not one of the countries hardest hit by the shock of

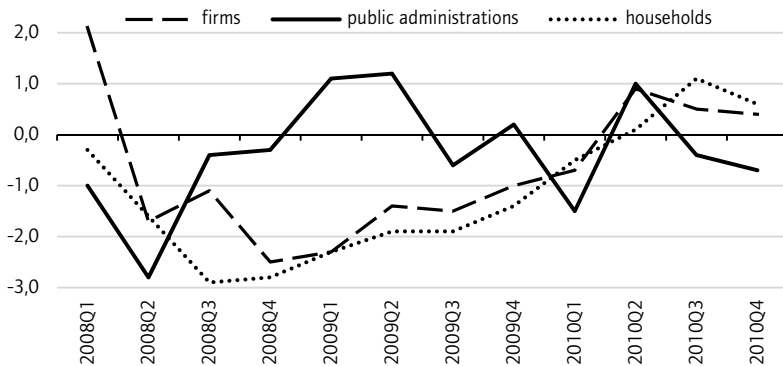
the crisis overall. Indeed, by comparison with the last recession in the early 1990s, the country seems to have held up better, at least in terms of jobs. While in 1992–93 added value in the non-agricultural market sector decreased by 1.9 points and employment by 2.1 points, for the years 2008–2009 the figures are –5.3 points and ‘only’ –2.5 points. In other words, although as an absolute value job erosion has never been greater, as a relative value (trend in employment against that of GDP) we note that the market did not collapse as badly as it did at the start of the 1990s. There are various reasons for this comparatively better performance of the French economy and labour market. Unlike many other countries, first, the rate of savings among the French populace was relatively high before the crisis (approximately 15 per cent), which made it possible to avoid a drop in consumption at the time of the economic shock: consumption even rose by 1.4 per cent from 2008 to 2010, whereas it fell by 0.5 points in Germany and 1.5 points in the United States. Another key factor explaining the relatively good performance of the French economy is the support from the public sector in terms of investment (Figure 2). These short-term developments form part of a structural trend which, since the 1990s, has put France at an advantage vis-à-vis its age-old rival Germany with regard to wealth creation, investment and consumption alike (Horn *et al.*, 2010). Put differently, by comparison with Germany, more sustained domestic demand in France made it possible to compensate for poorer export performance and hence to better withstand the shock of a global recession.

Table 1 **GDP and its components by volume (progression in %)**

|   | 2007 | 2008  | 2009   | 2010  |
|---|------|-------|--------|-------|
| Gross domestic product                        | 2.3  | – 0.1 | – 2.7  | 1.5   |
| Imports                                       | 5.5  | 0.9   | 10.8   | 8.8   |
| Gross fixed capital formation<br>(Investment) | 6.3  | 0.3   | – 9.0  | – 1.2 |
| Exports                                       | 2.3  | – 0.3 | – 12.4 | 9.7   |

Source: National Accounts - Basis 2005, INSEE.

Figure 2 **Investment trends, France, 2008–2010**  
(quarterly rates of change, percentage)



Note: Household investment corresponds to housing purchases.  
Source: INSEE.

This public sector support, which had no equivalent on the consumption side, is one component of a recovery plan worth around 34 billion euros for 2009 and 2010 (see Box 1). The plan was severely criticised by the French Court of Audit, first and foremost because it sacrificed consumption to the exclusive gain of investment. Although it has undoubtedly limited the number of bankruptcies and eased companies' cash-flow situation, the plan has not lived up to all of its promises. Whereas investment by public enterprises should have reached 4 billion euros in 2009, only a quarter of that sum was achieved. Furthermore, whereas the government thought that this plan would enable it to create or safeguard the equivalent of 400,000 jobs, the Court of Audit considers that in fact between 18,000 and 72,000 jobs were created during that period. Last but not least, the cost of the recovery plan (equivalent to 1.4 per cent of French GDP) proved exorbitant by comparison with its benefits: the Court estimates its impact on growth at around 0.5 points in 2009. The recovery plan, as implemented, did not square up to the announcements made by the French government. Worse still, even if it did help to prop up demand, it yet again revealed the Sarkozy government's overall inclination to prioritise companies rather than employees.

**Box 1 Main recovery measures adopted by the French government in 2009**

- Finance facilities for SMEs.
- Car scrappage premium, automobile pact.
- Public investment: 4.1 billion euros of direct state investment in transport (TGV high-speed trains, Seine-Nord canal, Fréjus safety tunnels and so on) and 4 billion euros of investment in large public enterprises.
- Establishment of a strategic investment fund: 20 billion euros of funds intended primarily for the automotive, aeronautical and timber industries.
- Establishment of a social investment fund (a brainchild of the CFDT) endowed with 1.5 billion euros and 50 per cent state-funded, to coordinate efforts around employment and to consolidate the different sources of funding.
- Compensation for short-time working measures raised (from 60 per cent) to 75 per cent in sectors concluding agreements with the government; 'harnessing' of vocational training to avert or accompany part-time work.
- Abolition of the provisional last two-thirds of income tax due in 2009 (affecting more than 4 million tax households in the first taxation band); tax relief to reduce the taxes on 2 million additional households.
- Premium of 150 euros for 3 million families with school-age children in receipt of the schooling expenses allowance.
- Allocation of coupons for the purchase of personal services worth 200 euros per household to the 660,000 recipients of the individual home-assistance allowance, to the 470,000 families with young children in receipt of the childcare supplement and to jobseekers who find work and need a temporary childcare solution.
- 100,000 additional assisted contracts (over and above the 230,000 scheduled) in 2009.
- Establishment of a crisis assessment and monitoring committee.



Companies, for their part, conducted themselves in a manner corresponding broadly to what one might expect in the light of past experience (Liégey 2009). As is logical on domestic markets, large French companies began by protecting their skilled workforces by resorting to short-time working arrangements.<sup>3</sup> The crisis afforded an opportunity to reactivate these arrangements, which had seemed to be falling gradually into disuse. The number of employees covered by short-time working authorisations plummeted by 82 per cent between 1996 and 2005, down from 1.7 million to 300,000 (Calavrezo *et al.*, 2009). The scheme was reviewed in 2008 so as to enable companies to spread the work reduction imposed on employees over a longer time period. The economic crisis accelerated the use of this new formula. Thus, in the automotive sector, one employee in ten was put on short-time working in the first half of 2009 (Conseil d'analyse stratégique 2009). French companies also made their most insecure workers bear the brunt of the economic crisis. In just over a year, the number of temporary agency staff declined by a third (Figure 3), a reminder – if such were needed – that this way of working constitutes a major adjustment variable. While the contraction in temporary work mostly affected industry, the service sector reduced its volume of employment by cutting back on fixed-term contracts. Working hours, however, varied very little during the crisis, whether measured by the amount of overtime or by the recourse to part-time jobs. Therefore, the flexibility mechanisms negotiated when the 35-hour week was introduced on the cusp of the 1990s and 2000s, then during the years thereafter, did not serve to heighten the shock of the crisis.

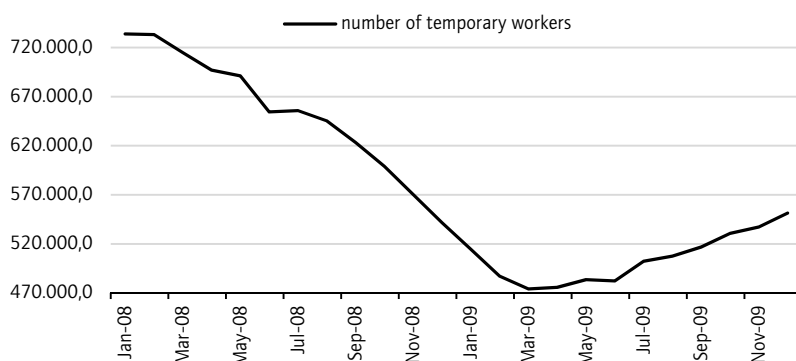
These adjustments, cyclical for the most part, should not be allowed to mask a delicate structural situation, both economic and social. Thus, in 2011, unemployment has stabilised at a particularly high level in France (between 9 and 10 per cent, according to the ILO measure); this stability contrasts with a sharp rise in long-term unemployment. DARES (research body of the French Ministry of Labour) refers to a rise of 500,000 long-term unemployed between 2008 and 2010 (Timbeau 2011). This structural persistence of a high unemployment rate in France has permanently slowed down wage growth and has sapped effective

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3. By contrast, this option was scarcely used at all by small firms, which might explain another difference with Germany, a country that utilised such arrangements to a much greater extent.

demand. In the very midst of the economic crisis, a net fall in average annual disposable monetary income per household was even recorded. In 2009 euros, this disposable income, which takes into account net pay, investment income, social benefits and various taxes and transfers, went down from 41,317 euros in 2008 to 40,603 euros in 2009: a drop of almost 2 per cent (*Alternatives économiques* 2010).

Figure 3 **Evolution of temporary work (intérim) in France**



Source: Pôle emploi.

## 4. Lessons learned and looking to the future

Where do we stand, three years on from the 2008 crisis? We cannot give an exhaustive answer, but we believe that three facts, each one representing a major challenge, lie at the heart of a French model that did not emerge unscathed from the economic turbulence.

### 4.1 A halt in structural productivity?

One initial consequence of the crisis in France relates to productivity. Apparent per capita labour productivity declined between the 1980s and the early 1990s (Berrebi *et al.* 2009). Then, despite having risen steadily since 1990 (up by 10 points from 1990 to 2007), productivity fell back sharply in 2008. This phenomenon can be viewed as the result

of labour retention strategies which, amidst a deep cyclical recession, inevitably caused a drop in productivity. Some economists, however, diagnose much more than a cyclical effect. Noting the atypical nature of the 2008–2009 productivity cycle, they posit that in fact two phenomena acted jointly: on the one hand, a lesser adjustment of employment to activity and on the other, a weakening of the trend in productivity gains. This second phenomenon, whose exact scope has not yet been understood, ‘was observed in the early 1970s and on the cusp of the 1990s. A distortion of the structure of the economy between the various sectors, in particular, can lead to such a trend. If it takes hold, this decline in productivity gains is not necessarily good news for the economy, however, given that the halt in productivity would mean a lasting downturn in potential economic activity: in the long term the levels of added value and employment will be lower’ (Argouarc’h *et al.* 2010: 24–25).

Recent studies on sector-based productivity provide some possible explanations for France (Schreiber, Vicard, 2011). Tertiarisation of the French economy accounts on its own for more than half of the productivity losses observed since the start of the 1990s. But the causes of the slowdown in labour productivity recorded since the start of the 2000s need to be sought elsewhere. This time, in fact, the slowdown is the result of a concomitant drop in productivity gains across all sectors: agriculture, industry, construction and market services. As we can see, in France the economic crisis is perhaps more than just a fleeting bad memory.

## 4.2 Public deficit and territorial inequality

One typical feature of the state of the French economy is the size of its public deficit. Although part of the deficit was structural and linked to the ‘Jacobin’, social nature of the state – a source of pride for the French government at least until the mid-1980s – the same cannot be said of the past decade. This period has in fact been characterised by a decrease in tax revenue, a major cause of imbalance in the public finances. Having peaked at 22.5 per cent of GDP in 1982, government revenue accounted for just 15.1 per cent of GDP by 2009 (Aurissergues 2010). In addition, following a series of reforms (initially in 1982 and then in 2003–2004) aimed at decentralising the French state, certain powers were devolved to the local authorities (regions and departments), especially in the social and education fields. Spending by local public

administrations has grown more rapidly than that of any other authorities over the past thirty years, up from 7.7 to 11.3 per cent of GDP from 1978 to 2008 (Champsaur and Cotis 2010).

Whereas decentralisation is founded on a logic of localism (by handling local situations according to need) and on the principle of subsidiarity, it has also served to heighten spatial inequality over access to public services: this is unheard-of in the French tradition of equal rights. Marked contrasts between French regions are becoming increasingly evident. For instance, even though the Nord-Pas de Calais region partially succeeded in restructuring itself and managed to eradicate some of the scars deriving from its industrialisation in the nineteenth century, a substantial amount of poverty persists there. Its GDP is almost twice as low as that of the Ile de France region, the proportion of individuals without any qualifications<sup>4</sup> reaches 36 per cent – 10 points more than in Ile de France – and life expectancy is also four years less.

#### 4.3 Mounting economic and social inequality

In the wake of the difficulties encountered since 2008, justification of income inequality has become a recurrent topic of debate in French political circles. This may come as a surprise, but in fact France is sometimes regarded as unusual by comparison with its European partners. It 'is one of the only countries in which the interdecile ratio for earned income declined between 1995–1997 and 2004–2006, reaching a value of 2.9 in 2006' (ONPES 2010: 81). But this finding derives mainly from the observation tools used: the interdecile inequalities on which the observations focus overlook the greatest inequalities, which are located at both extremes of the income and assets scale. Indeed, income growth among the richest households in France has been spectacular – albeit before the crisis. Thus, according to INSEE, the annual earnings of the wealthiest 0.01 per cent of people grew by more than 40 per cent in just three years (between 2004 and 2007), whilst those of the poorest 10 per cent grew by just 6 per cent over the same period. What is more, the principal inequality in France derives not from annual earnings but

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4. In other words, not having any formal qualifications at all, except perhaps for the school leaving certificate obtained at age 16.

relates to the concentration of assets, which often elude conventional measurement tools. In reality, not only are assets very unevenly distributed, but inequality in this domain has been increasing for several decades under the combined effect of a succession of policy measures favouring owners of large fortunes in France, leading to the consolidation of 'inherited' French capitalism (Philippon 2007). In 2003, the top decile possessed nearly half of all French assets (47 per cent). This situation has been worsening since the 1980s, and even more so since the 1990s, owing to successive tax breaks on the taxation of assets (inheritance, wealth and, more generally, capital taxes). Part of this tax relief is no doubt attributable to the symbolism of a policy of looking after 'the well-off'; on the other hand, another part of this relief exacerbates economic and social inequality on a lasting basis and, as pointed out above, contributes to the lack of balance in budget deficits, which correspondingly reduces the scope for social policies to assist those who are worst-off.

#### 4.4 Poverty: the crisis and a new social issue

There is a similar issue that has been, and still is being, thrown into sharp focus by the economic crisis: namely the advance of poverty, the working poor and the economic policies responsible for these social fissures. The crisis is not solely responsible for the rise in insecurity and poverty, but it has increased their magnitude.

First, as we have said, the economic crisis has pushed up the official unemployment figures. It has in addition augmented the unemployment 'halo' (in other words, all situations falling mid-way between joblessness, work and inactivity). In August 2010, France had 2.7 million category A unemployed persons (that is, those out of work and actively seeking a job). At the same time, by taking account of people in atypical employment, DARES recorded almost 4.6 million unemployed. This figure is rising steadily. It encompasses situations such as jobless persons undergoing training, workers wishing to work more (in other words, underemployment), those not registered with *Pôle emploi* (the French employment agency) and the discouraged unemployed. Moreover, the rise in unemployment is concentrated in a few socio-demographic categories, first and foremost young people, whose jobless rate went up by 25 per cent between 2008 and 2010. The economic crisis has likewise reinforced the trend towards increasing recruitment

on non-standard contracts. This form of recruitment accounted for almost 80 per cent of all hirings in 2010.

Cumulatively, these developments could lead to growth in the numbers of working poor, a concept and a reality which are both very recent. The vast bulk of poverty in France is of course primarily made up of single people who are out of work. In 2008, France had approximately 4.3 million persons living in poor households bordering on 50 per cent of median earnings and 8 million bordering on 60 per cent. The effect of the crisis was to raise this economic poverty in France by 0.5 of a point from 2008 to 2009. By the end of 2009, 13.5 per cent of people (8.2 million) were living below the poverty line, and the intensity of this poverty has grown (Lombardo *et al.* 2011). Although the proportion of poor individuals is high, the French social security system serves as a genuine safety net: in 2007, for instance, the rate of financial poverty at 60 per cent of median earnings was 25 per cent before taking account of social transfers. The crucial role of social security in lowering poverty levels (down 12 points) puts France, along with Sweden, among the most protective countries.

This social security system undoubtedly played a counter-cyclical role at the time of the 2008 economic crisis, which may be one of the reasons why, on the whole, France withstood the crisis better than its European partners. Two caveats should be attached to this statement, however. First, by attaching distinct priority to the activation side of employment policies, along the lines of Anglo-Saxon-style 'workfare' provisions, a rolling-back of social security provision may serve to augment the rise in working poor, and more generally that of in-work poverty (Ponthieux 2009). The active solidarity income, established in June 2009 and consisting of a social strand and a job activation strand, envisaged financial incentives for the return to work, coupling these cash incentives with stricter demands on jobseekers and minimum-income recipients. Having been introduced in the very midst of the economic crisis, the active solidarity income, its amount varying according to a household's circumstances,<sup>5</sup> has barely proved effective. In fact, the assisted return to work for persons remote from the labour market, one

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5. It amounts in 2011 to 460 euros for a single person with no children; thus this allowance equates to barely half of the financial poverty level.

of the main goals of the activation provisions, was distorted by the huge simultaneous upsurge of jobseekers in crisis-hit sectors.<sup>6</sup> The number of working poor was estimated in 2008 at 1.9 million, or 6.7 per cent of persons in work; there is as yet no certainty about how it has progressed since the crisis. All we know is that the vast majority of working poor are in employment throughout the year, but that a fifth of them are mostly in part-time jobs (ONPES 2010). We also know that the self-employed – a category of workers, moreover, given encouragement by successive French governments – are overrepresented in this category.

The second caveat is that young people aged under 25 are a group that has largely been neglected by these measures. Not only have they been worse affected by unemployment since the crisis, but they are also less well protected against possible cuts in income. This is because the government provisions that ought to act as social cushioning measures are much less generous for youngsters, be it in terms of social insurance or top-up income (Zemmour 2010), as in the case of the active solidarity income which was not originally designed to assist the under-25s.

It is worth noting, finally, that the problem of poverty cannot possibly be addressed without bearing in mind its gender dimension. There are two reasons why: first, the employment activation policies attribute to certain typically female sectors (nursery assistants, home helps and care staff) the merit of constituting ‘pools of labour’. If these jobs are associated with women, it is not only because they are performed in a domestic or social environment, but also because they depend on unfavourable conditions in respect of pay, working hours and so on. The second reason why gender should be taken into account is this: unlike the working poor category,<sup>7</sup> the low pay category<sup>8</sup> is dominated by women, since the key determinant of low monthly wages is part-time work. And in France, as revealed by the 2009 employment survey, 83 per cent of part-time workers are women.

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6. The ONPES (National Observatory of Poverty and Social Exclusion) estimates that 90 unemployed persons are supervised by every *Pôle emploi* advisor, compared with 30 to 60 under the initial plans (ONPES 2010).

7. The working poor need to meet two conditions: they must be in employment and live in a household whose disposable income is below the poverty threshold; 46 per cent of the working poor in France are women.

8. Low pay means that the wages received by a worker are less than 60 per cent of median earnings; 75 per cent of those in receipt of low monthly wages in France are women.

## 5. Conclusion

The 2008 economic crisis cannot be deemed an accidental occurrence in France any more than it can elsewhere. The crisis took somewhat different forms depending on countries' national models, but resulted from the upheavals in contemporary capitalism, first and foremost the financialisation of the economy. For the reasons outlined, France seems to have held up better than other countries, at least in the short term. From this point of view, the government's proactive approach – a historic trade-mark of the French model (Berrebi *et al.* 2009) – may explain part of France's relatively good performance compared with its European partners. Admittedly, the French government no longer plays the role it did twenty years ago, and policies designed to 'modernise' the public sector have handed the baton to new public- and private-sector players that are able to administer labour and employment affairs in a different manner, sometimes for the worse. Nevertheless, the ability to rapidly adopt centralised plans to combat an economic downturn has not been lost, even if it means omitting to hold proper social and political negotiations. The two crises of 2008 and 2011 provide ample evidence. But the 2008 crisis revealed and even compounded some fundamental upheavals, above all else the social inequality on which we have dwelt.

This structural trend towards more inequality and more poverty testifies to the transformations in the French model. Social solidarity has gradually been eroded over the past three decades owing to a succession of varied reforms. The surge in working poor has brought to light a new social issue. Ultimately, by heightening inequality and serving as a pretext for new liberal-inspired adjustments, the crisis has merely served to sanction a medium-term development. That is why, even though there are grounds for satisfaction that France withstood the shock of 2008 reasonably well, there is every reason to be less optimistic for the years ahead. The new financial market crisis of summer 2011, to which France has been no more immune than its partners, proves the point. The plan adopted in the wake of this new market crash reinforces and augments the liberal inclinations that have lain behind French economic policy for several years now. Will France's trade unions manage at last to turn the tide? Bearing in mind the difficulty they had in making their voices heard during the 2008 crisis, nothing is less certain. We can therefore only hope that the presidential



election campaign will provide opportunities, in 2012, for a public debate about the decisions needed in order to envisage other forms of economic and social development than those we have come to know over the past few decades.

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