

Jacques Aben and Jean-Pierre Maury



Jean-Pierre Chevènement
1989



Alain Richard
1999



Hervé Morin
2009



Florence Parly
2019

**The Military Wage Policy of the French Ministry of Defence
between Labour Market Competition and Public Deficit Reduction
A Beginning**

23rd ICES Madrid 26-29 June 2019

Our point of departure is a sentence found in the French Military Programming Law for the years 2019-2025:

“As regards pay, the programming law plans the launching of an ambitious renovation of the pay policy through the « New military pay policy ».

This sentence means, of course, that there is already an “ancient” wage policy for the servicemen. And it is this ancient policy which is our subject, because the new one ought to be effective only in 2021.

The title page shows the French Defence Ministers, from 1989 to 2019, that is a period of exactly 30 years. In fact, our study will begin in 1990 and end in 2016, simply because we have data only for this shorter period.

1 – Determinants of the Military Wage Policy

DÉPLOIEMENTS OPÉRATIONNELS DES ARMÉES FRANÇAISES

Plus de **30 000** militaires français engagés

TERRITOIRE NATIONAL



13 000 MILITAIRES

FORCES DE SOUVERAINETÉ

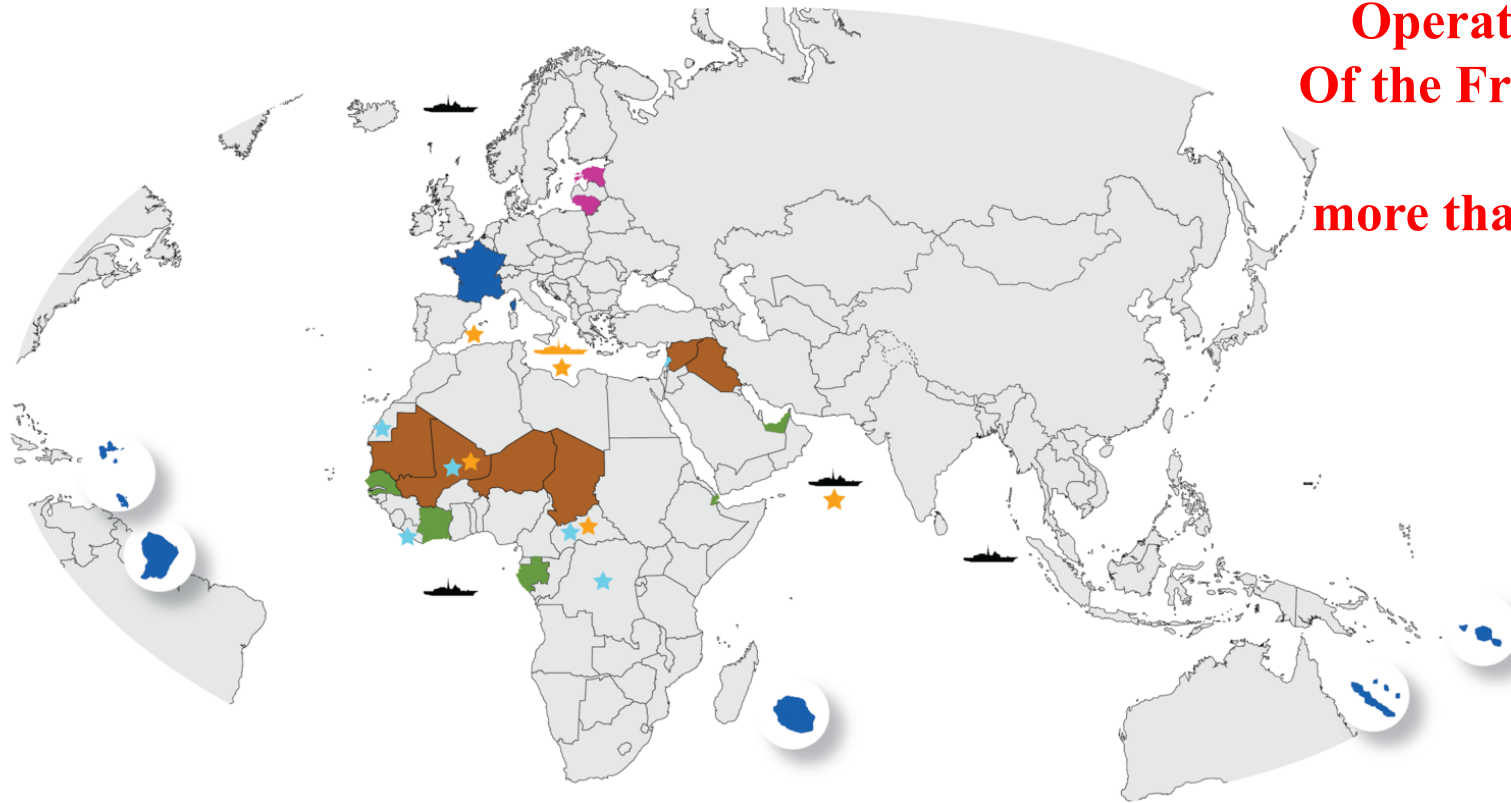
- Ancilles (FAA) : 1000
- Guyane (FAG) : 2100
- La Réunion (FAZSOI) : 1700
- Nouvelle-Calédonie (FANC) : 1450
- Polynésie française (FAPF) : 900

7150 MILITAIRES

FORCES DE PRÉSENCE

- Sénégal (EFS) : 350
- Côte d'Ivoire (FFCI) : 900
- Gabon (EFG) : 350
- Djibouti (FFDJ) : 1450
- Emirats arabes unis (FFEAU) : 650

3700 MILITAIRES



**Operational Deployments
Of the French Armed Services**

more than 30 000 servicemen

OPÉRATIONS EXTERIEURES



Barkhane : 4500



Chammal : 1100

5600 MILITAIRES



ONU

Liban Daman : 700

- Sahara
- Mali
- Libéria
- République centrafricaine
- République démocratique du Congo

780 MILITAIRES



UE

Sophia : 100

- Acalante
- Mali
- République centrafricaine
- Frontex Themis
- Frontex Indalo

175 MILITAIRES

MISSIONS MARITIMES

- Mission Jeanne d'Arc : 700
- Atlantique Nord : 200
- CTF 150 : 200
- Corymbe : 250

1350 MILITAIRES



OTAN

- Ukraine eFP : 300
- Estonie eAP : 100

400 MILITAIRES

DISSUASION



© Ministry of
Armed Services

As you all know, France is an old warrior country, and though they are no longer a dominant country they go on sending expeditionary corps in different parts of the world, and to day even on the national soil, because of the terrorist threat.

Presently, there are more or less thirty thousand French servicemen in nineteen military operations or missions, essentially at home and in Africa, but not only.

DÉPLOIEMENTS OPÉRATIONNELS DES ARMÉES FRANÇAISES

Plus de **30 000** militaires français engagés

TERRITOIRE NATIONAL



13 000 MILITAIRES

FORCES DE SOUVERAINÉTÉ

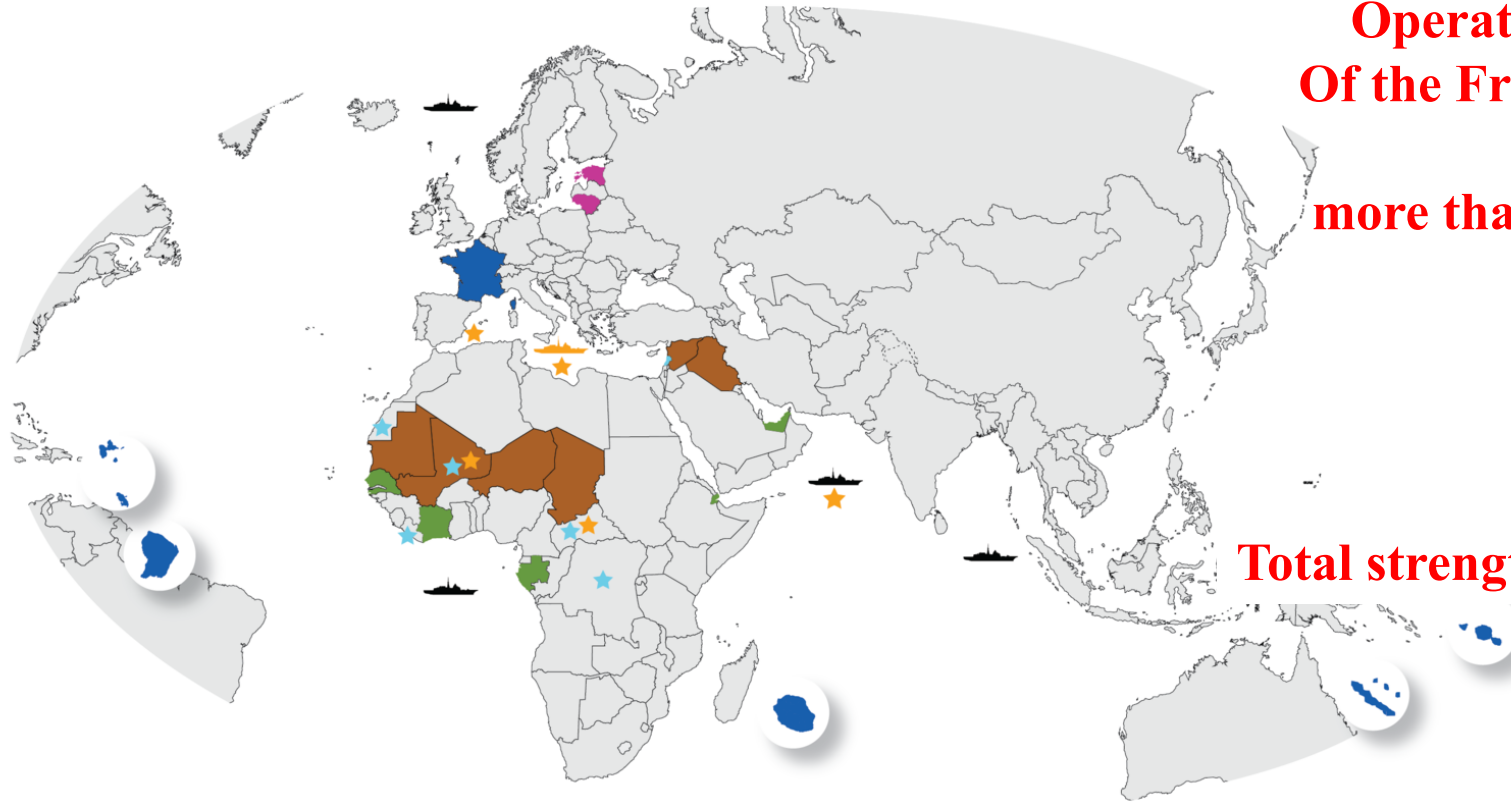
- Ancilles (FAA) : 1000
- Guyane (FAG) : 2100
- La Réunion (FAZSOI) : 1700
- Nouvelle-Calédonie (FANC) : 1450
- Polynésie française (FAPF) : 900

7150 MILITAIRES

FORCES DE PRÉSENCE

- Sénégal (EFS) : 350
- Côte d'Ivoire (FFCI) : 900
- Gabon (EFG) : 350
- Djibouti (FFDJ) : 1450
- Emirats arabes unis (FFEAU) : 650

3700 MILITAIRES



**Operational Deployments
Of the French Armed Services**

more than 30 000 servicemen



Total strength > 270 000 in 2023

OPÉRATIONS EXTERIEURES



Mauritanie - Mali - Burkina Faso - Niger - Tchad
Barkhane : 4500



Syrie - Irak
Chammal : 1100

5600 MILITAIRES



Liban Daman : 700

- Sahara
- Mali
- Libéria
- République centrafricaine
- République démocratique du Congo

780 MILITAIRES



Sophia : 100

- Acalante
- Mali
- République centrafricaine
- Frontex Themis
- Frontex Indalo

175 MILITAIRES

MISSIONS MARITIMES

- Mission Jeanne d'Arc : 700
- Atlantique Nord : 200
- CTF 150 : 200
- Corymbe : 250

1350 MILITAIRES



Ukraine

eFP : 300



Estonie

eAP : 100

400 MILITAIRES

DISSUASION



© Ministry of
Armed Services

To be able to hold out on the long term, and also satisfy the needs for recovering after deployment, training, central administration and so on, this means, according to the present Military Programming Law, a total personal of at least two hundred seventy thousand servicemen and civil servants.

As for the servicemen the number has to be about two hundred ten thousand.



17 334 recruited

ie

**22% of
the “stock”**

The problem is to be able every year, to recruit enough people to fill the ranks.

As you can imagine, the strongest need is for privates, because they earn the smallest pay and take the highest risks.

That means a need to recruit seventeen thousand privates every year, that is 22% of their total number, that is also a tremendous turn over.



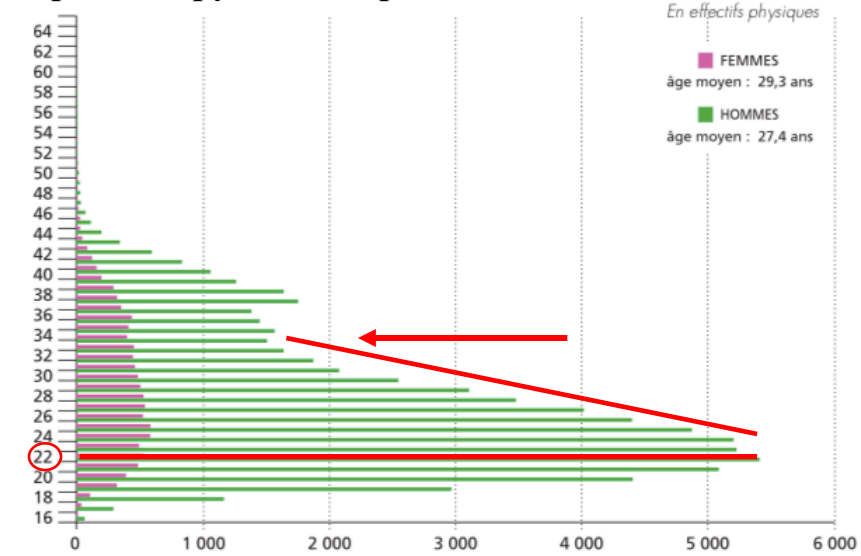
78 500

61%
→
≤ 4 years

17 334

ie
22% of
the “stock”

Population pyramid of privates



The explanation of this turn-over is the fact that almost two-third of the privates remain only 4 years or less in the ranks.

It is quite visible in the population pyramid underneath: I could say that the services are “no country for old men”.



1.7 to 2.4
Candidates



1
Post



78 500

17 334

61%

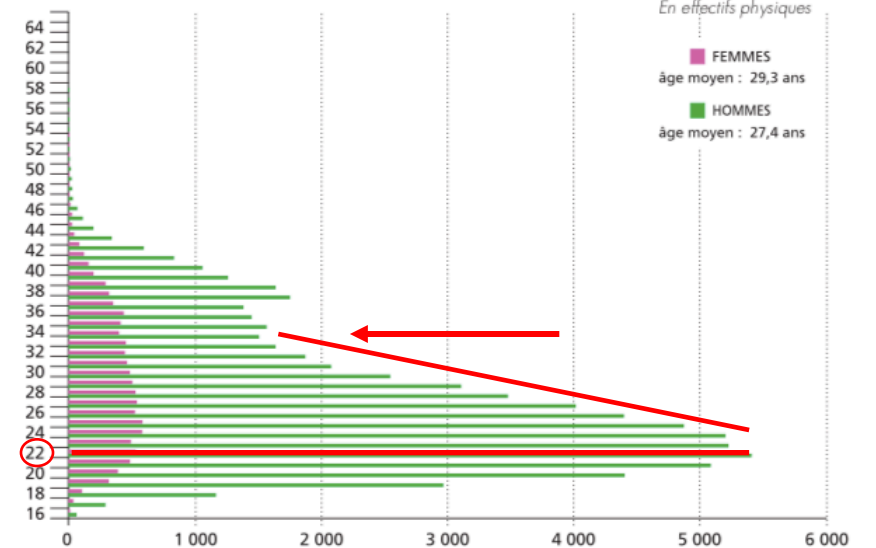


≤ 4 years

ie

22% of
the “stock”

Population pyramid of privates



And there is worse than that, because the young people are not very induced to join the services and especially the Army. Because they know, more or less, the level of the pay, and they can imagine the risks. Even the French rate of unemployment is not sufficient to create vocations.

As you can see, we have in average only 2 candidates for one post, that is we cannot really choose our soldiers. And I could add that for the infantry and the special forces, it is difficult to imagine filling the gap by an appeal directed especially toward women.

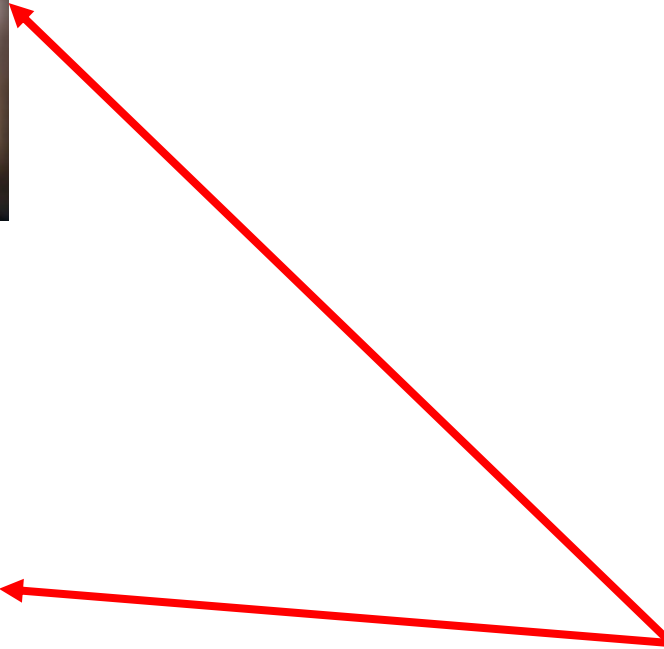
But the problem is also for the other servicemen, even it is less acute. For instance the selection ratio for the recruitment in the French military academies is inferior to what it is in French civil “grandes écoles”.

What is the solution?



Five centuries ago the field-marshal Trivulce had given this answer to the king Louis 12 : “firstly money, secondly money, thirdly money”.

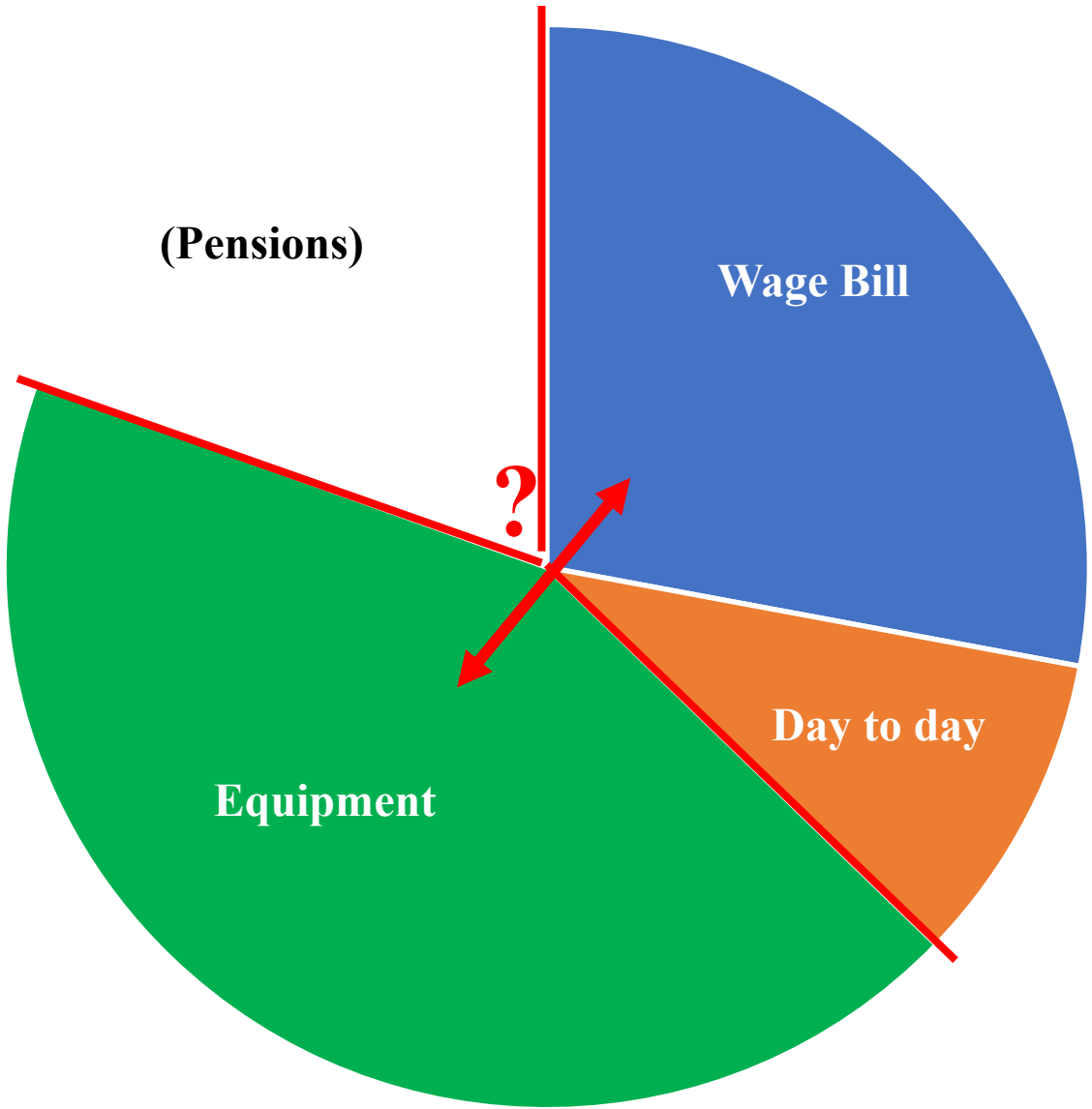
But as you can imagine, things are more complicated.



First, if we want to pay more the privates, we risk to have to pay more, soon or later, the other servicemen, and then the civil servants of the ministry of defence. And then we will have to pay more all the civil servants of the state and of the local administrations, and that means almost 6 million people!

Consequently, a wage policy devoted to privates, or more generally to servicemen, has to be presented as an exception justified by the specificities of the military condition. It is the reason why the servicemen general status states : “they deserve the respect of the citizens and the esteem of the Nation”

The Total Wage Bill in the Defence budget



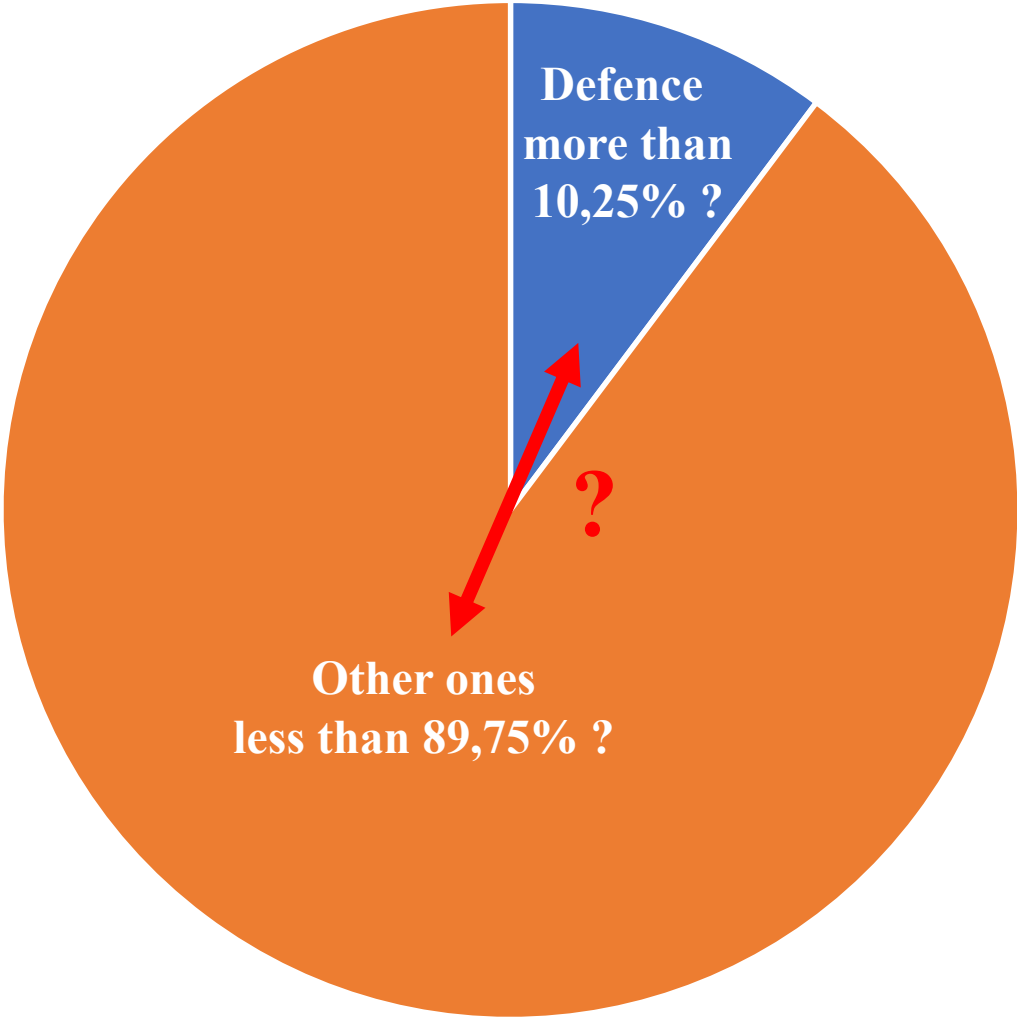
And why not a wage bill above 28% of the defence budget ?

But then we have new choices to do.

Within the limits of the defence budget, if we augment the wage bill, we shall have to sacrifice the equipment for the pay. But we know that there is no good army without good weapons.

And the problem is worse than it appears, because higher pays to day mean higher pensions tomorrow.

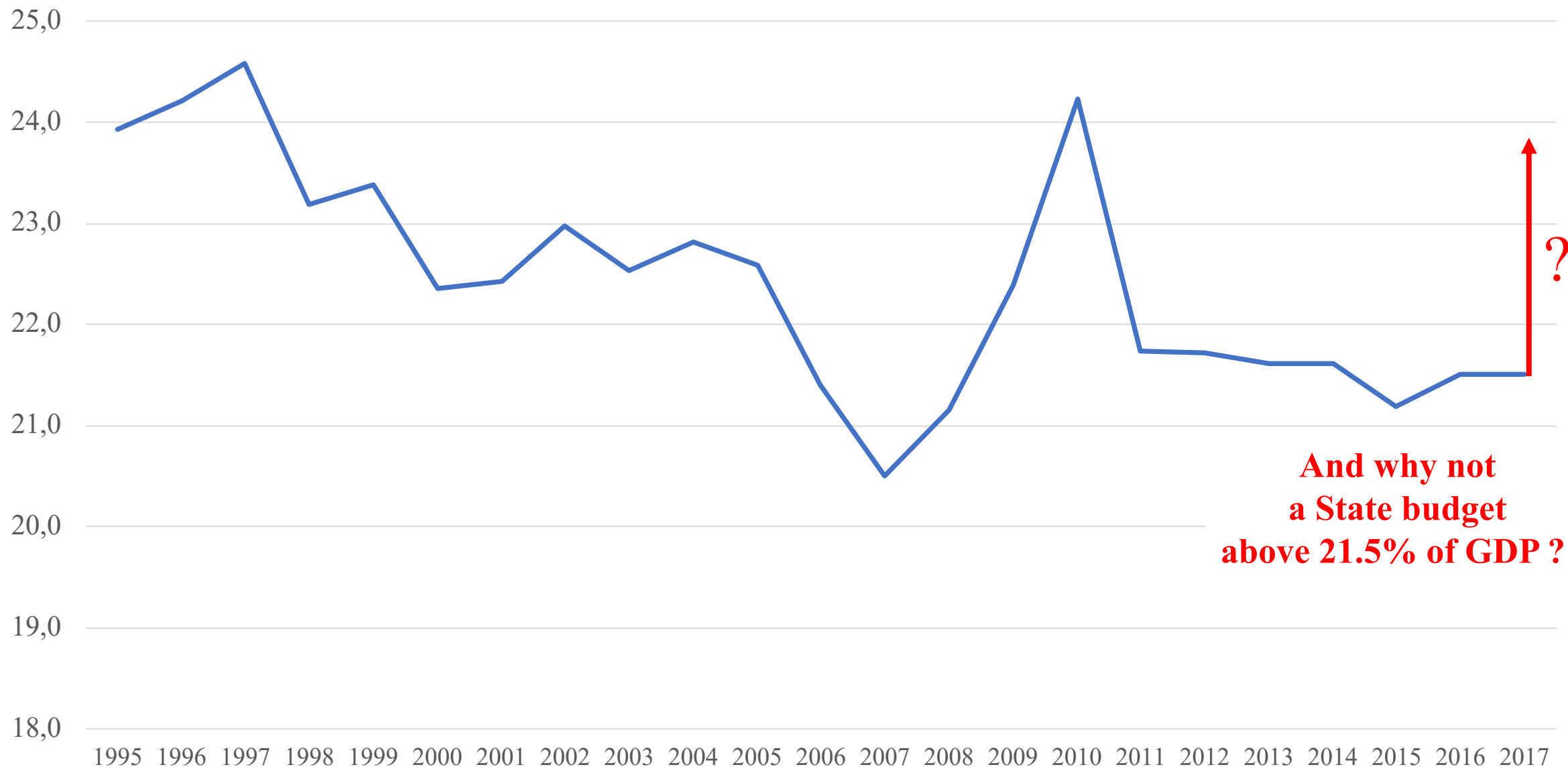
The Defence Budget in the State Budget



**And why not
a defence budget
above 10,25%
of the state budget ?**

Of course there is another solution: to increase the proportion of the state budget devoted to defence. But when the war is not at the door, this is not very easy to achieve, because there is also a collective need for social security, health security, economic security, and so on.

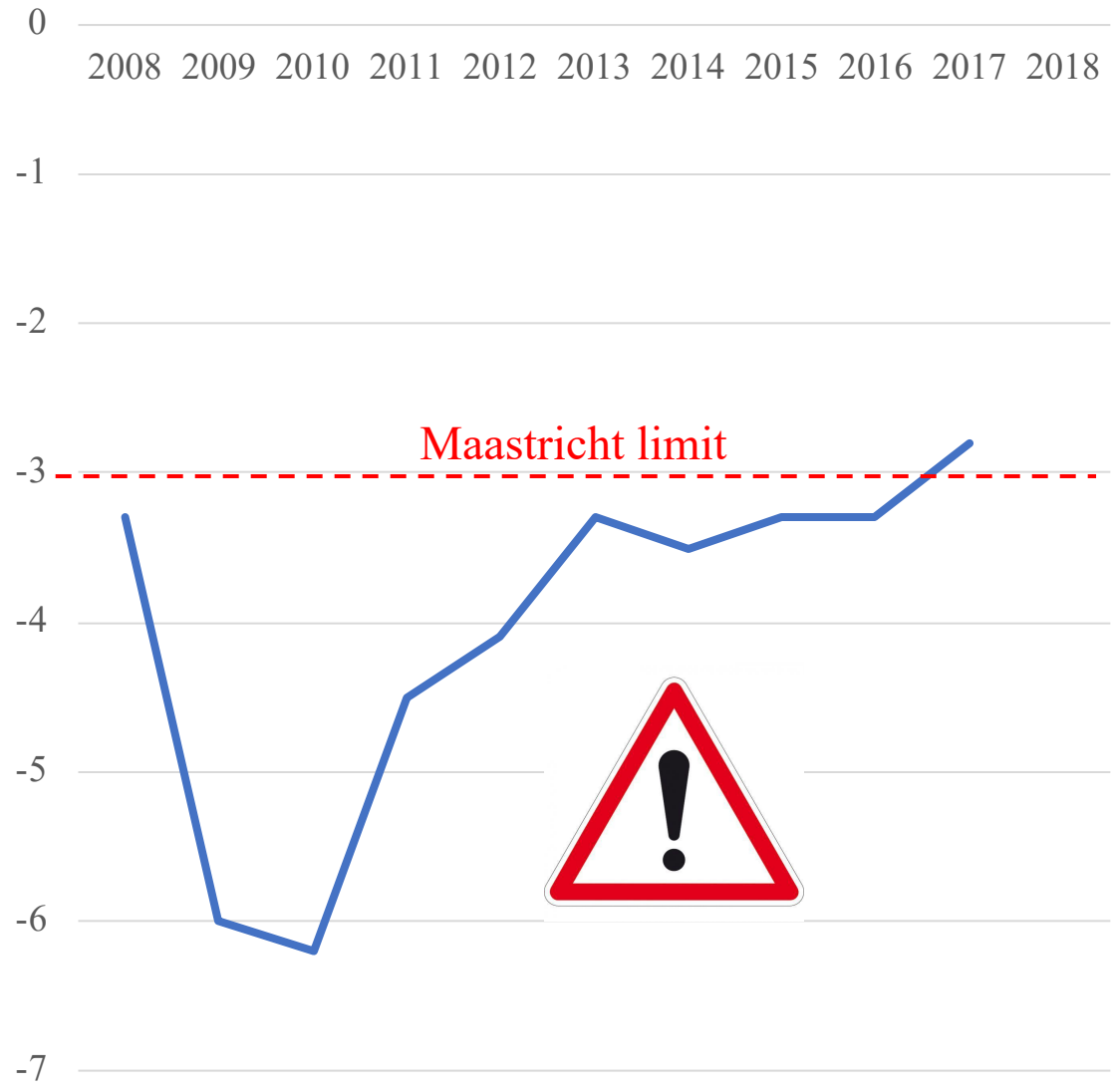
The State Budget in % of GDP



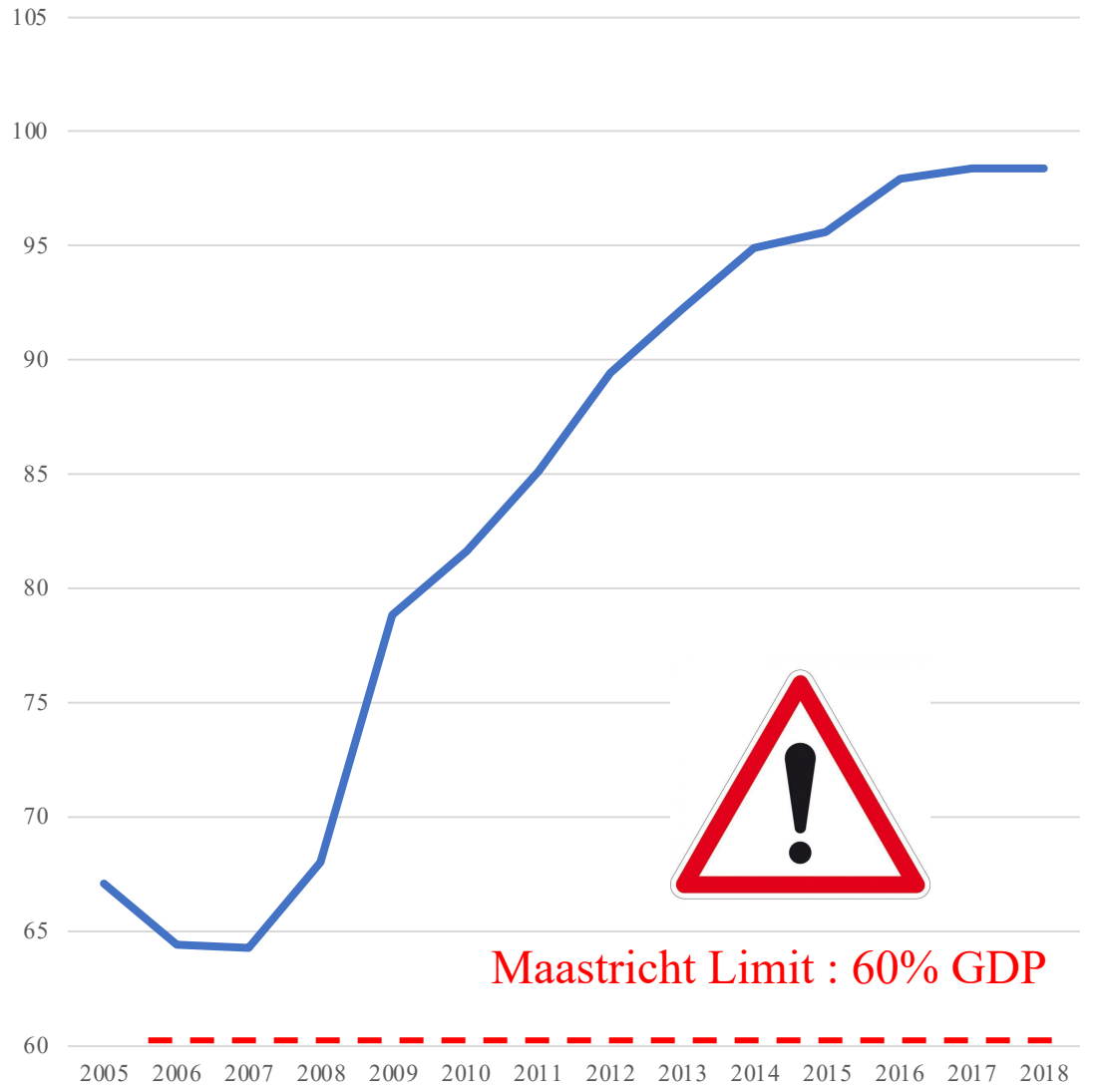
**And why not
a State budget
above 21,5% of GDP ?**

As you can see France has known recent periods with a ratio of State expenditures to GDP above 24%.
After all we could do that again for the sake of our servicemen...

Budget Deficit (Maastricht - % GDP)



Public Debt (Maastricht - % GDP)



But as you maybe know, we French people, have defined budgetary rules for ourselves and other member states of the European Union, that we ought to respect.

And we have promised so often to respect them, that it is more and more difficult to ignore them, and in the same time pretend to be a proposition force in a reform process of the European Union.



But who would dare to increase taxes ?

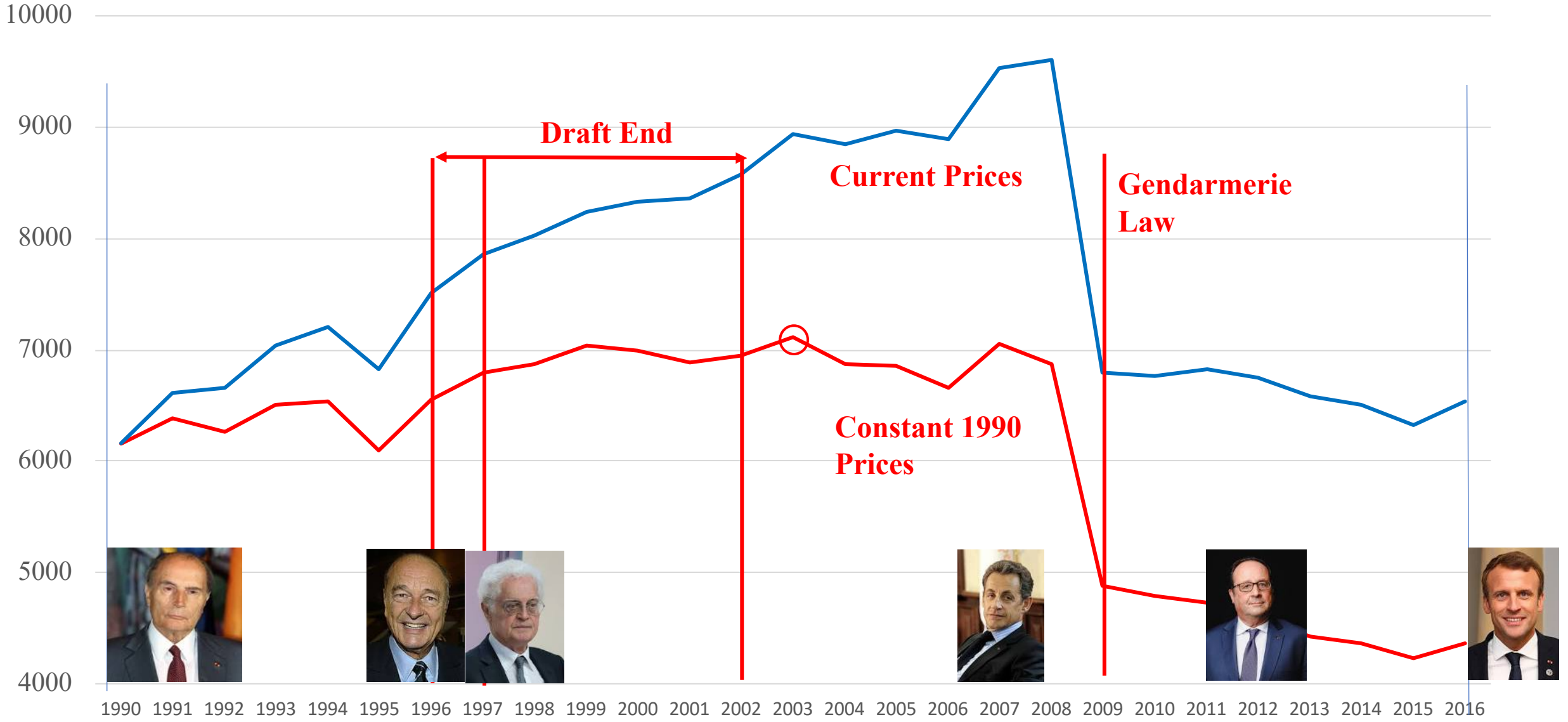
But who would dare to reduce the welfare state ?

And to complicate the problem, the “gilets jaunes” revolt has shown that a lot of people want simultaneously a reduction of taxes and an increase of the welfare state, and generally of public services.

A serious dilemma, isn't it ?

2 - The Wage Bill and its Determinants

Military Wage Bill



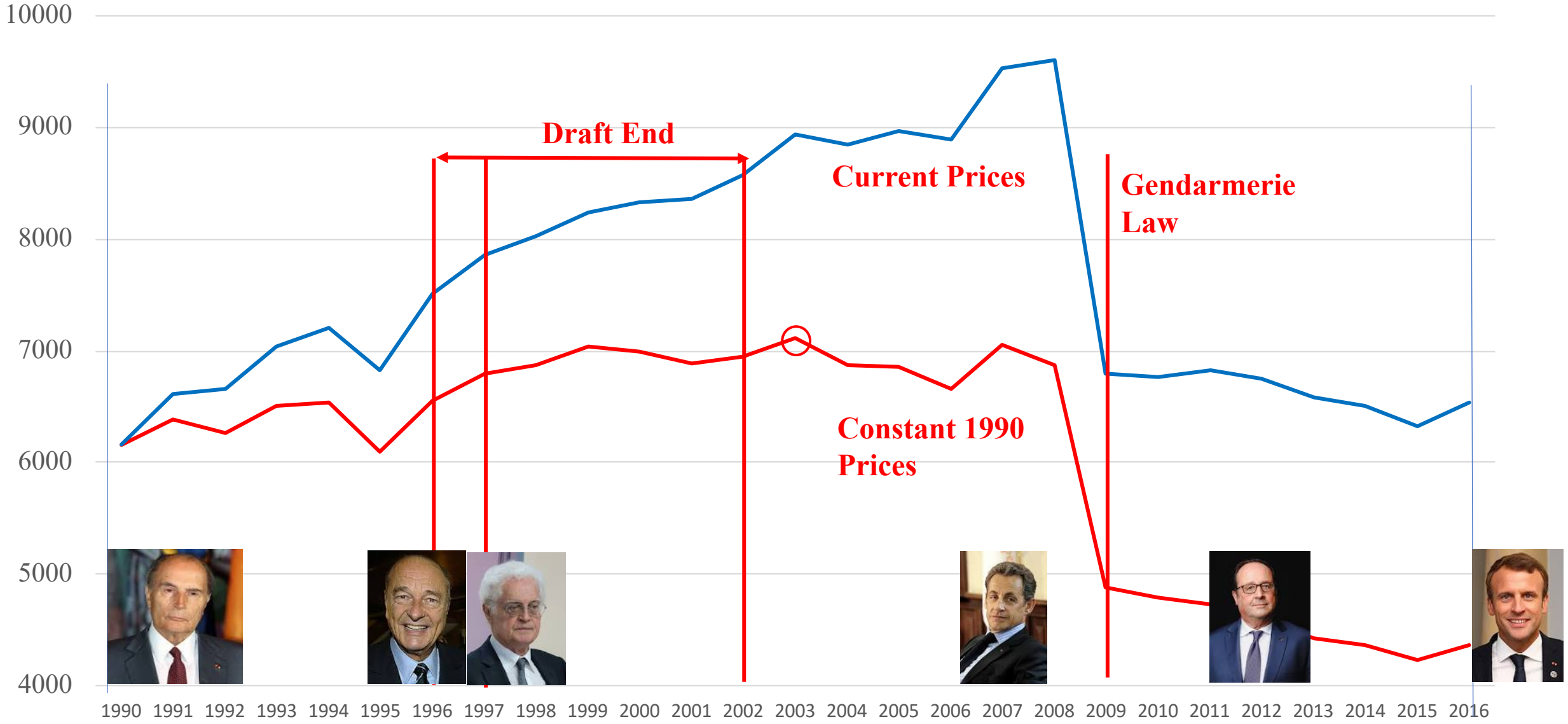
Before designing a wage policy, it is important to know the mechanics of the wage bill evolution.

These curves describe the evolution of the military wage bill in current and constant euros. We have considered that it was not of great interest to keep the second one in our study because, as it is well known, a policy is very often designed essentially in current money. For instance it is the case with the present French Military Programming Law

Nevertheless the maximum point of this curve has probably a link with what could be an essential moment of this story: the end of the draft. It was decided in 1996 by President Chirac and written in a law by Prime Minister Lionel Jospin in 1997, even if the latter represented the opposition to the former.

What we have named “Gendarmerie law” is the transfer of this police corps, which is a military corps also, into the ministry of internal affairs.

Military Wage Bill



The evolution of the wage bill is traditionally presented as produced by 3 determinants: first the wage rate, that is the wage of a basic unit of work; then what we name in France “Age-Technicity Slide”; and finally the workforce strength.

WB_{t1}



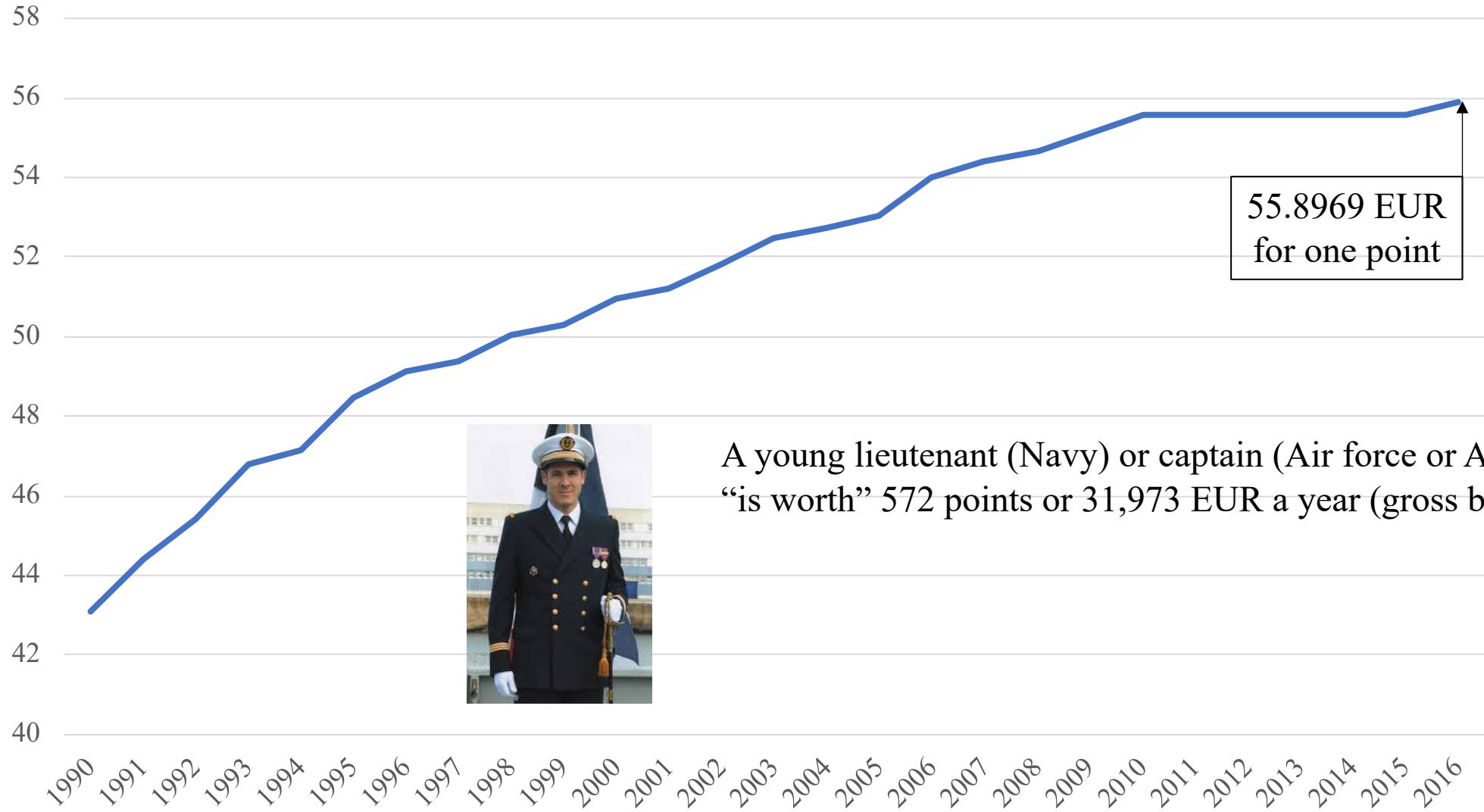
WB_{t2}

**Public Sector
Wage Rate Variation**

We have written “public sector wage rate”, because the article 10 of the servicemen general status provides that “any general measure modifying the pay of the state’s civil servants is applied in the same time to the servicemen”

It is especially the case with what is named in France “value of the index point”.

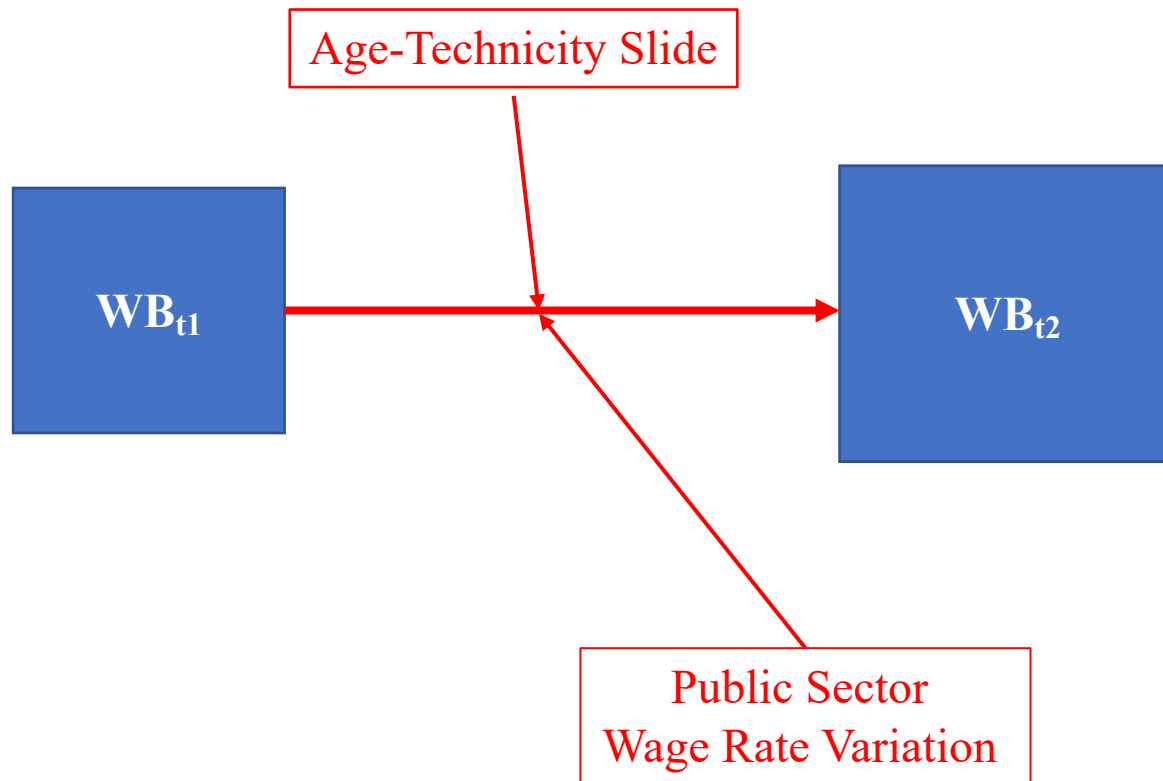
Evolution of Public Sector Wage Rate (EUR)



A young lieutenant (Navy) or captain (Air force or Army)
“is worth” 572 points or 31,973 EUR a year (gross basis)



The “value of the index point” is the basis of the pay system in the French administration. Each job is described by a number of points. It is the case for this young lieutenant, with his basis pay at five hundred seventy-two points, each representing today almost fifty six euros per year. It is a first constraint for a ministry wage policy, because the growth of this value is decided by the government and not by each minister.

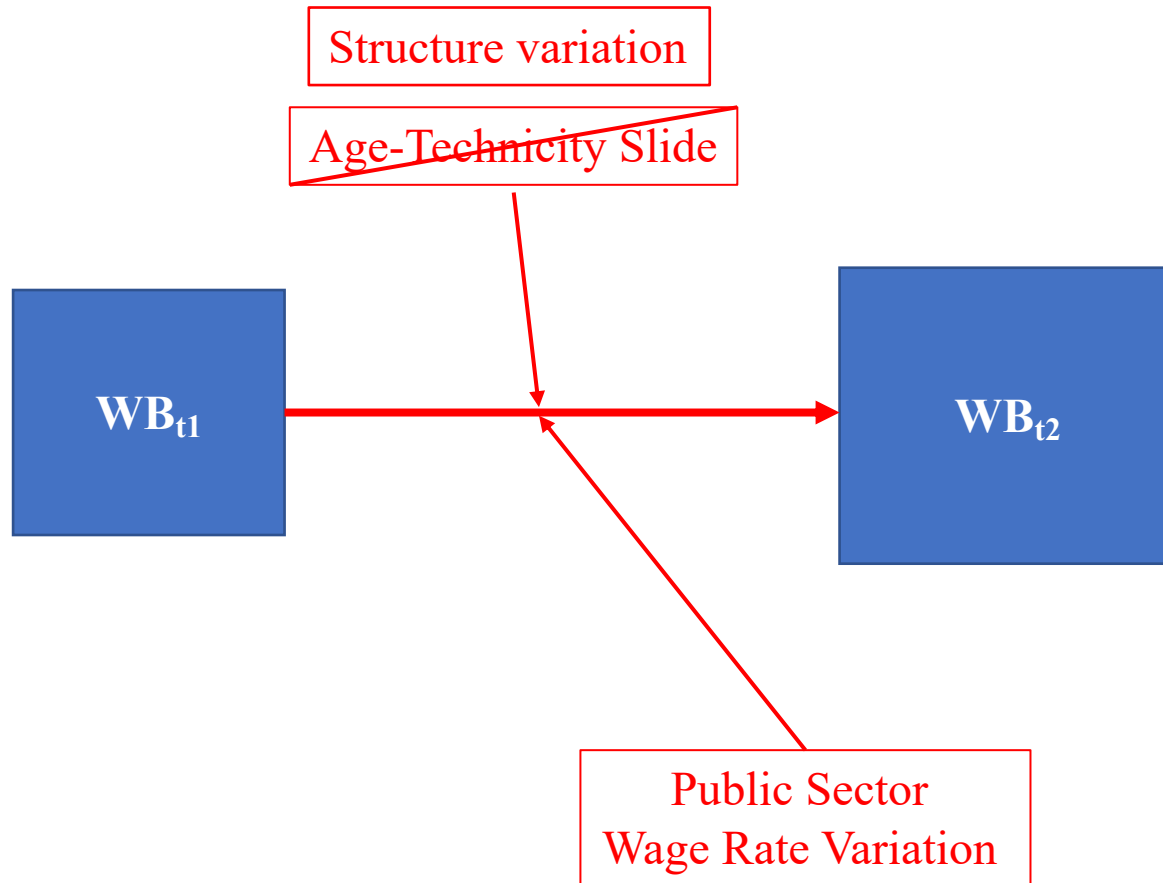


Then the Age-Technicity slide.

Age, because between two rank promotions, the pay is increased automatically with the length of service

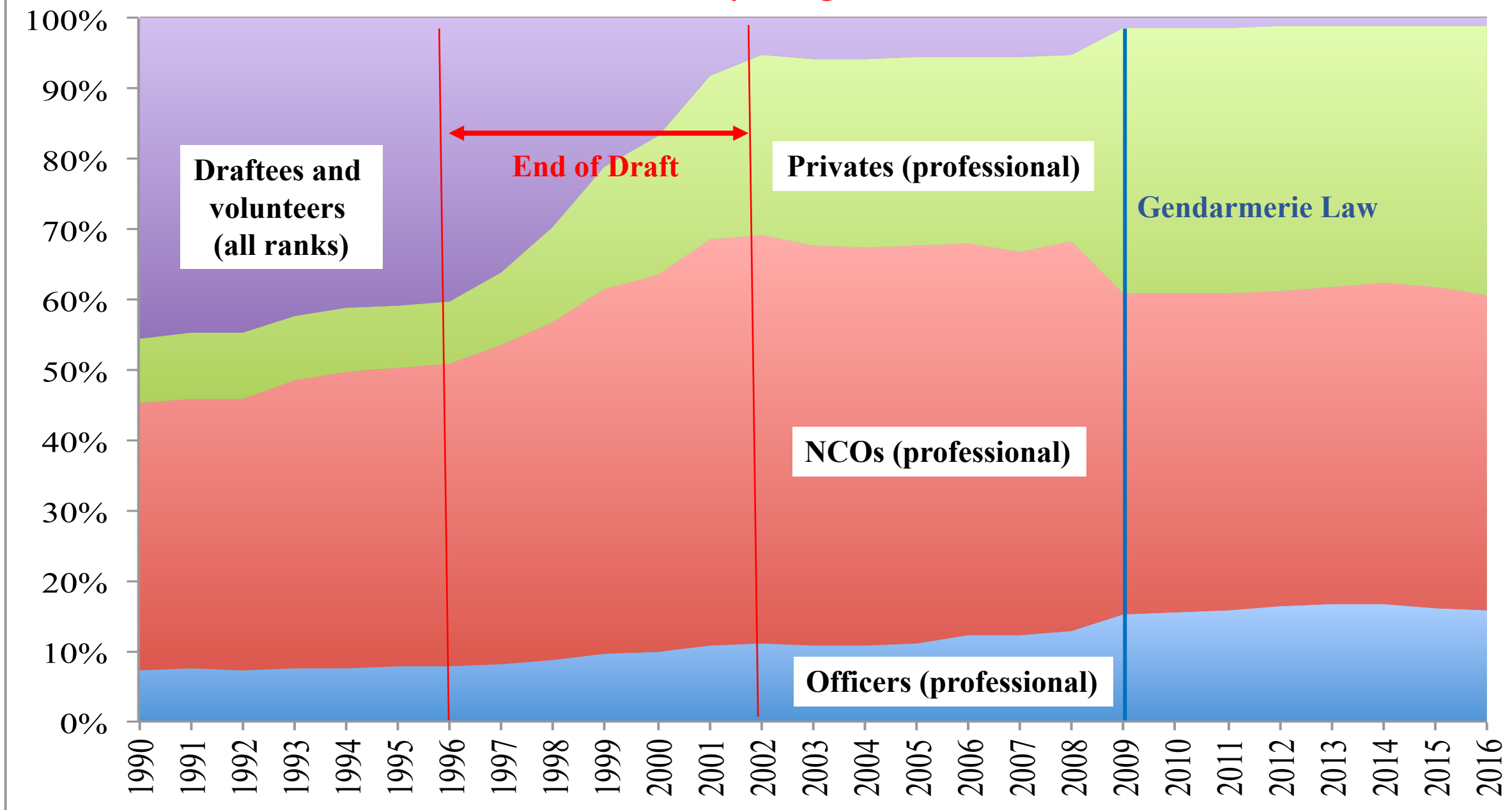
Technicity, because any rank promotion means another increase, but of course this is not automatic.

But what is important here is that it is another constraint, or rather a parameter, for the wage policy, because the wage bill is increased or decreased autonomously. Of course, the problem is not with the privates, but with all other servicemen and civil servants of the ministry.



In fact we had not the data to follow exactly the ATS. So, we have chosen to follow only the variations of the workforce structure, at least at a low level of detail, with a constant pay for each rank.

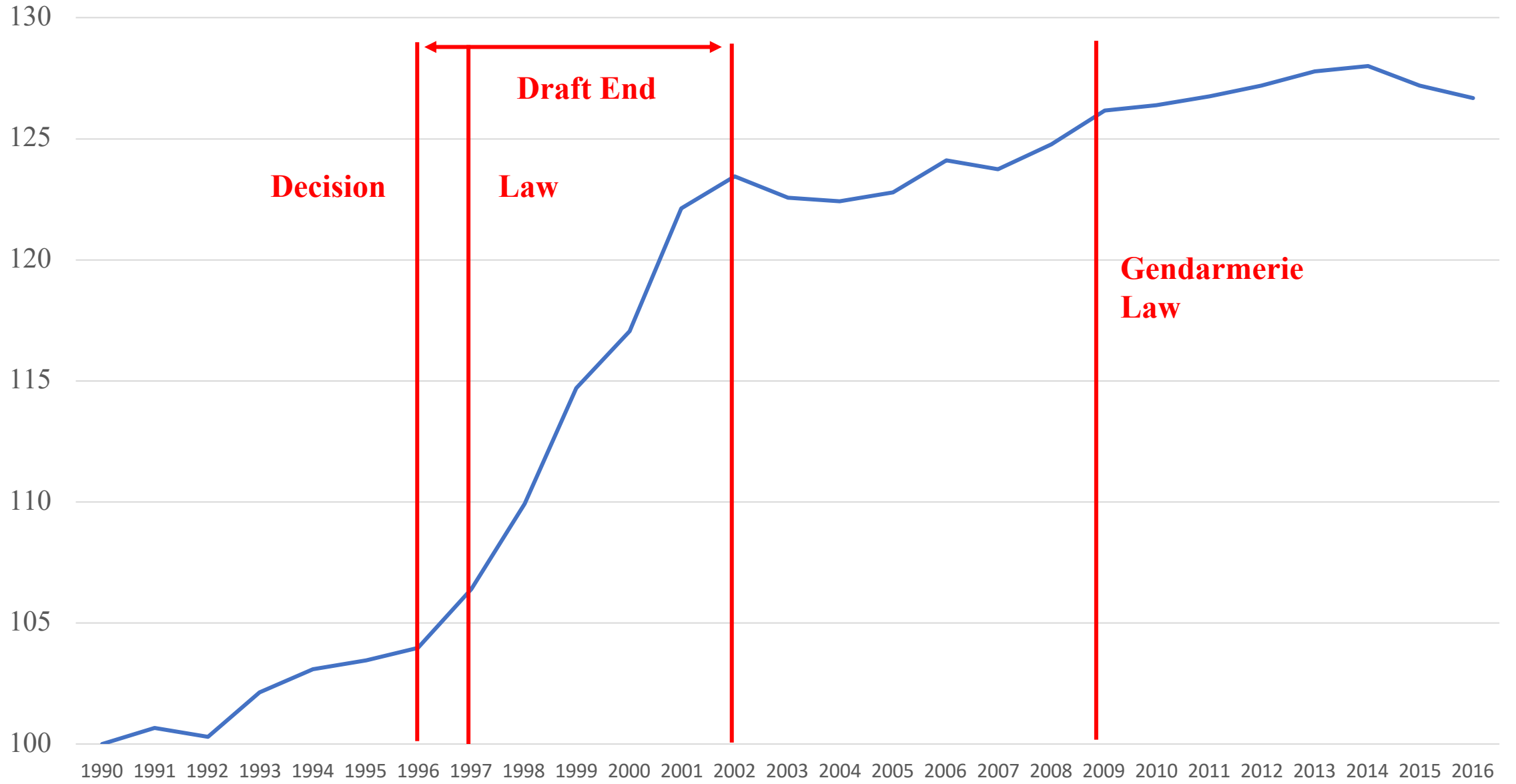
Evolution of the military strength structure



Here you have the evolution of the military strength structure

First you see the substitution of professional privates for draftees, and then the effect of the Gendarmerie law on the NCOs strength, because this corps is essentially composed of NCOs

Strength Structure Synthetic Index



Decision

Draft End

Law

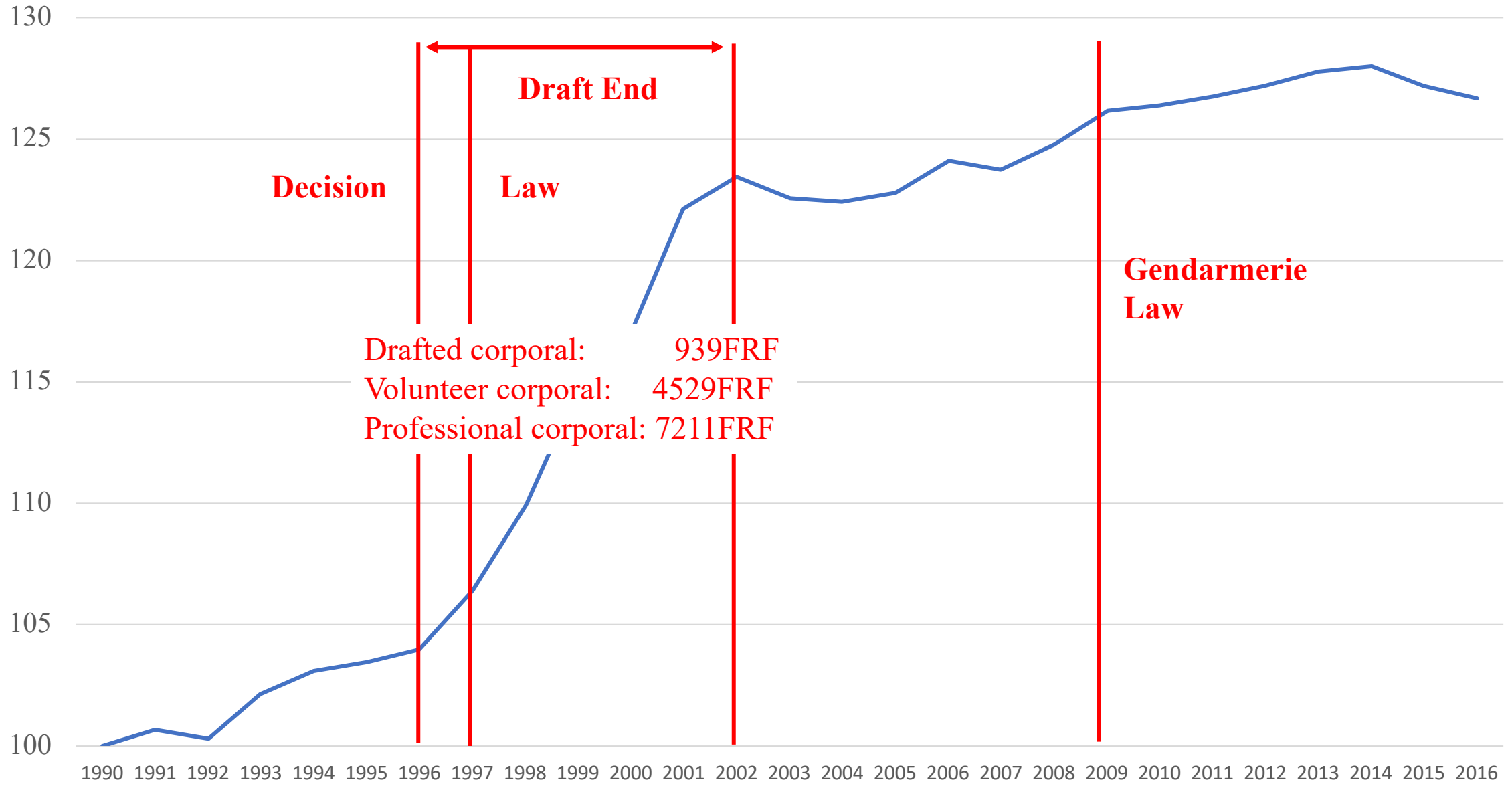
**Gendarmerie
Law**

This index is an “inverted” Laspeyre strength index, that is weighted by the pays of the final year, 2016, and not of the basis year 1990.

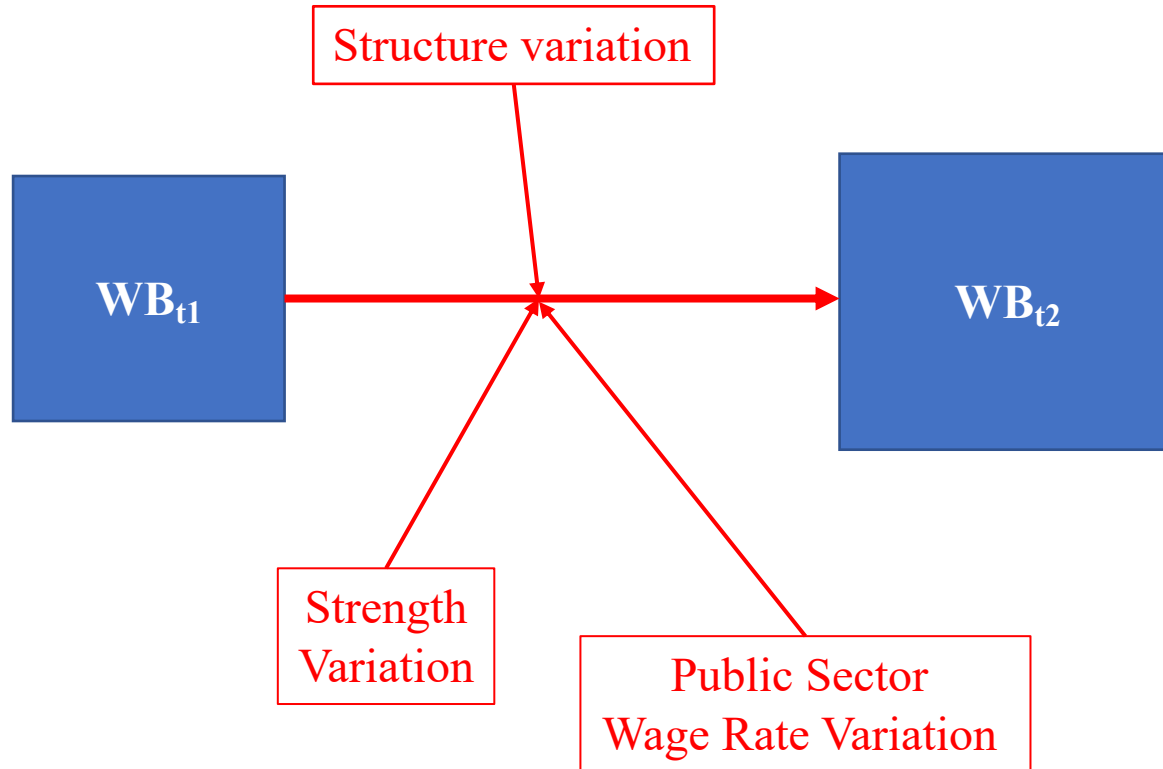
The reason is simply that we could not know the pay data for the first years.

Of course, you see the tremendous effect of the Draft End.

Strength Structure Synthetic Index

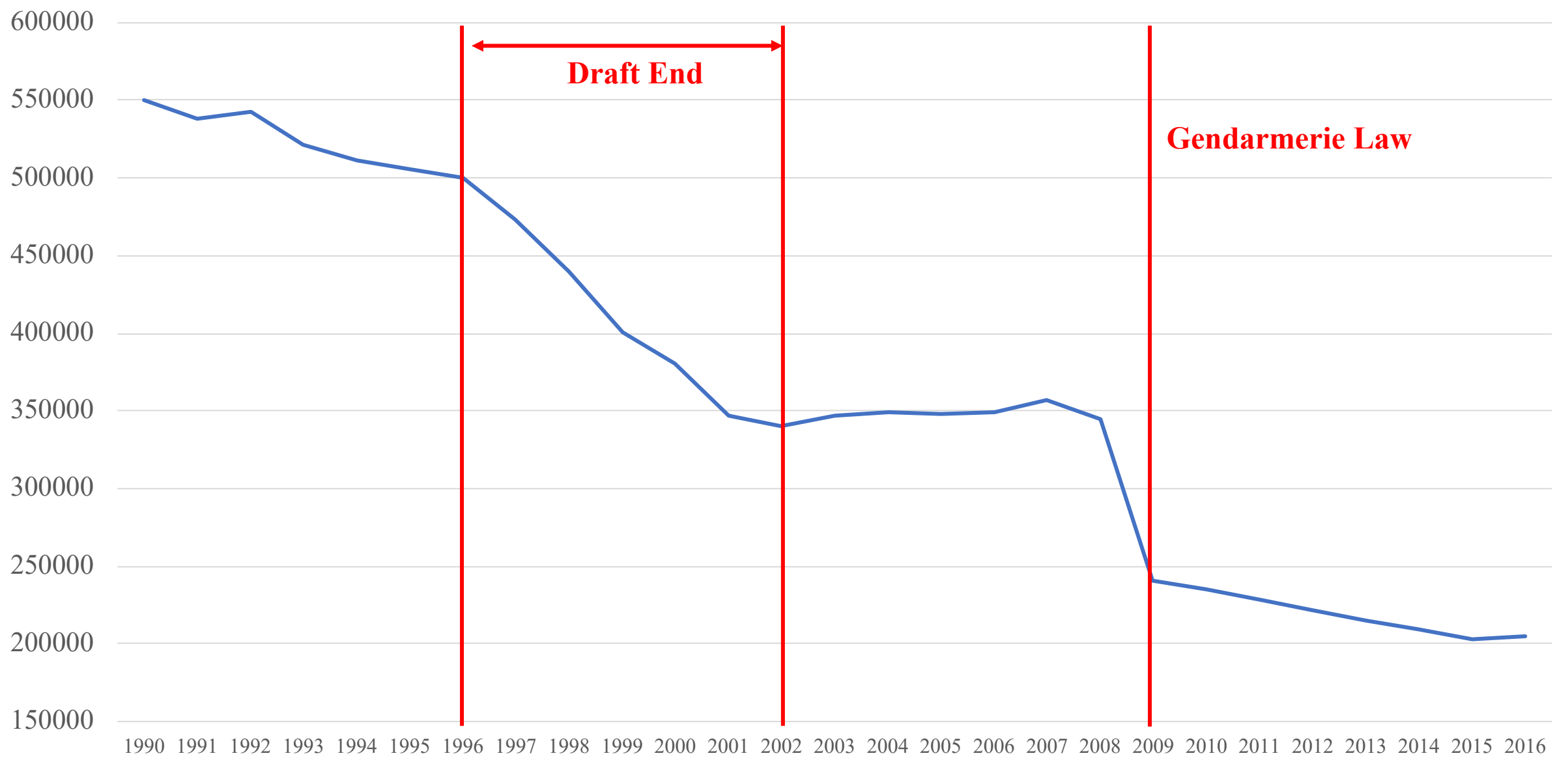


And the reason is obvious as you can see with the numbers.



And finally, the strength of the work force, of course. And this is more or less another constraint due to the “operational contract” imposed to the services by the successive white papers and programming laws.

Military Strength



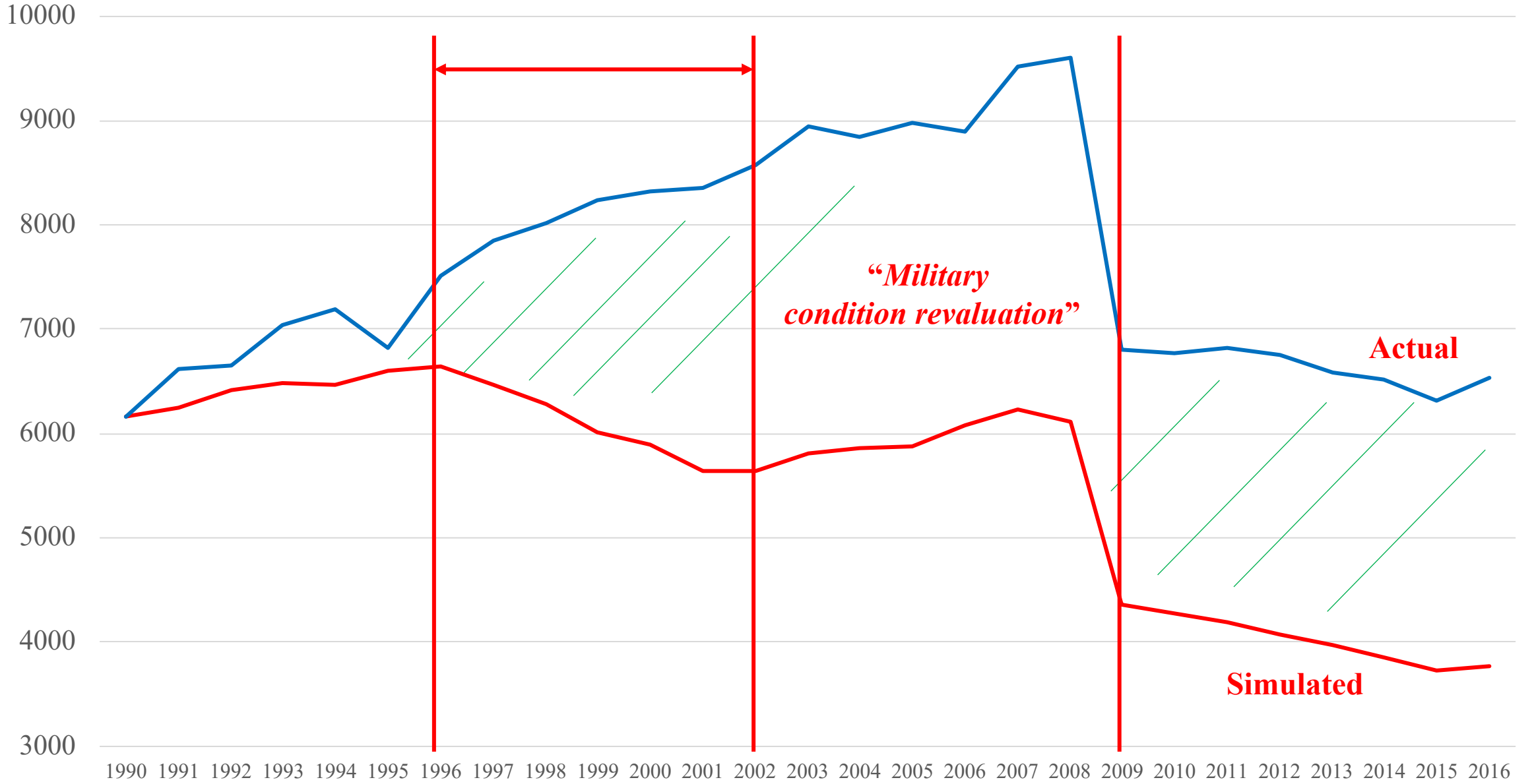
Draft End

Gendarmerie Law

One more time, the effects of the draft end and of the Gendarmerie law, are quite perceptible.

3 – What Space for a Wage Policy?

Military Wage Bill as Explained by Wage Rate, Strength and Strength Structure



If the effect of a wage policy appears in the evolution of the wage bill, it will be in the part non explained by the traditional determinants reviewed during the precedent section.

To find this 4th determinant we simulated an evolution of the wage bill explained only by each of the traditional determinants then by a combination of the three.

There are positive impacts of the wage rate and of the structure effect, but an impact of the strength evolution strongly negative.

So the combination of the 3 traditional determinants is negative also, what is happy, because it is in the remaining part of the area under the blue curve, that we find the wage policy space. And this policy is named “Military condition revaluation”.

3 - Revaluation of Military Condition

“Military condition revaluation” - Examples

“One will mention also the strong revaluation of the privates pay (...) raising the pay allocations by 117,7 M€ (...)”

J-M. Boucheron, MP, *Special report on the defence budget for 2002*

“The professionalization process implies a consequent effort in favour of the NCOs...

“(...) the attribution of an adjustable and reversible allowance devoted to the critical specialities (...) which are submitted to a strong competition on the labour market...

“(...) the plan to reevaluate the condition of military physicians will continue...”

François d’Aubert, MP, *Special report on the defence budget for 2004*

“The special Rapporteur is glad to see that 305 M€ will be directly devoted to the improvement of the servicemen pay.”

Romain Colas, MP, *Special report on the defence budget for 2017*

To end this presentation, we will only show some examples

You can read the information given by different rapporteurs of the Assemblée nationale, on some defence budgets.

Thank you for your attention