

2017
2027

2017/2027 A CLEAR VISION FOR FRANCE

PRESENTATION OF THE PROJECT

France Stratégie is dedicated to informing the public debate and proposing policies adapted to future needs. The 17/27 project embodies this spirit by taking an in-depth look at the issues certain to be at stake in the upcoming presidential election and decade. Specifically, we will publish twelve detailed introductory papers along with possible policy options on issues we consider to be vital over the next ten years. In so doing, we will lay the groundwork for well-informed choices and sketch out a clear vision for France's future.

MARCH 2016

A NEED FOR CLARITY

The presidential election is not only about appointing a head of state for France. The debate leading up to the election is a chance to clarify the choices that will guide public policy over the coming years.

Such clarification is both more pressing and more difficult than is usually the case due to the wider context. France is currently facing threats to its security and an uncertain European environment. Even if growth were to pick up, income per capita in 2017 would still only be at 2007 levels, and unemployment would still be at a historic high. The country will continue to be a house divided: one half of the population prosperous and relatively confident, the other half struggling to make ends meet and anxious about the future. Moreover, it will face serious economic and social challenges brought about by technological change. The decisions to be made will be difficult since public funds are scarce and already in high demand.

It falls to the candidates themselves and their parties to assess the country's predicament, select priorities, draft proposals and articulate them as part of their programmes. However, if indisputable facts, objective evaluations, forecasts and thorough analyses of the various options are put forth in a public debate, they will be able to do so with greater clarity, accuracy and forthrightness.

The media, which will have the difficult job of interpreting the candidates' proposals, examining their coherence and exposing their limitations, will also need to draw on forward-looking studies. Finally, it is the citizens themselves who will benefit from such an in-depth analysis of the issues at stake when they go to the ballot box.

A wide array of institutions will be certain to have a say in the political decisions to be made. Indeed, the richer the contributions, the better the assessment of the facts, and the more likely the political debate will be on par with the challenges the country faces.

FRANCE STRATÉGIE'S CONTRIBUTION

France Stratégie is tasked with not only “fostering dialogue and shared analysis and scenarios” but also encouraging “the broad participation of the entire spectrum of French society in a collective debate on the country’s future”. “Forward-looking studies that guide public authorities on possible medium- and long-term paths for France”^[1] form the basis for this.

Nevertheless, its role is not to put forth an all-encompassing project in the run-up to an election. Rather, it is to provide an objective analysis of the situation and set out the future challenges in each particular area in a non-partisan manner, shedding light on the prospective issues. It must also sketch out the main decisions and trade-offs the nation will have to make in the years to come. It is not a question of telling the French people what they must do, let alone predicting what the country will be in the coming decade. The approach does not seek to be prescriptive, but it is exhaustive. In short, the idea is to draw on the detailed studies on the issues to set the stage for vibrant and informed debate.

To do this, France Stratégie will abide by the principles that govern the project’s approach:

A decade-long perspective. Opting for a ten-year period is not only ambitious, it means the project will not be confined to the next five-year presidential term. It also serves as a reminder that the decisions made during a major electoral process represent long-term commitments and that political leaders can be judged on their ability to prepare the country for the future.

An analytical approach. This allows France Stratégie to provide a substantiated diagnosis and look at possible policy options on each issue through the prism of its wide-ranging expertise.

A transparent process. France Stratégie will make its data available and will set up forums for debate to enable citizens to form their own opinions on the issues.

A method fostering dialogue and discussion. Stakeholders from all walks of life and with a wide range of viewpoints will be involved in the project.

THE METHOD

- 1 To see the 17/27 project through, France Stratégie has created a website: francestrategie1727.fr.

France Stratégie’s analysts have been publishing brief *introductory documents* on a bi-weekly basis since March 2016. The papers aim to set out the challenges to be met over the next decade while detailing the issues that require a policy response. They will be complemented by online appendices that include such information as data and data visualization.

- 2 Once the papers are posted online, there will be a call for contributions. Debates on the issues will then be organised based on the papers, and the written contributions will be published on the 17/27 website.
- 3 Finally, an overview will be published on each issue every two weeks starting in May 2016. This will serve to flesh out the introductory papers and detail public policy options.

THE ISSUES



World growth from one decade to the next

The decade from 2007 to 2016 will have been marked by a deep financial crisis and a sharp downturn in world growth. While a number of factors that impede growth will become less pronounced in 2017, others such as an ageing population, debt, a slowdown in emerging markets, reduced productivity, an uncertain energy transition and geopolitical instability will dampen growth prospects. What will be the outcome of these contradictory forces?



New forms of work and social protection

What will work be like in the future? Will the ranks of freelance and independent workers outnumber those of salaried employees? Will commercial contracts replace employment contracts? Will intermittent careers become the norm, and will they signal the end of permanent employment contracts? The IT and online revolutions are major forces behind these changes. But the questions they raise are anything but new. They concern the future of work and whether labour law and social protection has to be adapted



Boosting competitiveness

The eurozone crisis has revealed the extent of the disparities in competitiveness and the scale of the effort required to redress them.

In this context, France has implemented a policy in recent years in a bid to restore its competitiveness. Is this sufficient? What about price competitiveness, non-price competitiveness and regulation of the eurozone?



A road map for Europe

The EU is riven by several crises: the unresolved euro crisis, the refugee crisis and a security crisis. But perhaps more importantly, it suffers from an existential crisis that stems from lacklustre economic performance and diverging views on the European project. This has led certain countries and a growing proportion of populations in Member States to question the ultimate aims and even the relevance of the European project. When it comes to addressing these four crises, the next decade will be of crucial importance. Thus, it is essential to clarify the issues at stake, set out the scenarios for the future of Europe and detail the options for France.



Capitalising on the digital revolution

The digital economy has significant consequences for people's lifestyles, the labour market and France's place the world. To capitalize on

this transformation, the country has to stay ahead of the curve. Whether it's top-rate infrastructure or world-class engineers, French society can draw on its strengths. However, both the public and private sectors must do more to embrace the change wrought by the online revolution. How can France create a business environment where the digital economy thrives? And how can this be reconciled with the ideas on which French society is founded (e.g. social protection, public education and the protection of privacy)?



Investing in youngsters while dealing with an ageing population

While the relative situation of young people has deteriorated in the last few years (i.e. living standards, employment and housing), there has been an increase in public spending on older people. This is financed through debt. Despite successive reforms to our pension and health systems, this predicament is likely to persist in the years to come. Should the government spend more on the younger generations when the growing number of senior citizens is likely to translate into more pressure on the public purse?



The economic model and income distribution

In terms of income distribution and inequality, France is an exception: the share of national income that has gone to capital (e.g. profits, interest and rent) has not increased, as has been the case in many other countries, and increases in inequality have been much smaller than elsewhere. However, the technological and economic changes that have transformed other advanced economies have also transformed France. New questions arise: Should the trade-off between efficiency and equality be reconsidered in an economy driven by innovation? What role can taxation play? And what can be done to ensure intergenerational equity?



Educational priorities

The French expect a lot from their schools, but they are largely disappointed. International comparisons prove them right. The country's educational shortcomings have a considerable social cost, justifying spending to pre-empt this over the long term. But before this is undertaken the end goal of schooling needs to be clearly defined. Moreover, we must identify what exactly is dysfunctional and needs to be reformed. Aspects such as teacher training and careers, curricula, pedagogy, school governance, administration, districts and zoning are all important factors. Once we know what needs to be reformed, we can then look at resource allocation and efficiency.

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Debt, deficits and expenditure: Prospects for public finances

The level and priorities of public expenditure are at the heart of the political debate, as are the level of and trends in public debt. At present, public expenditure is higher in France than it is in other advanced economies. However, the extent to which this is due to collective decisions or differences in efficiency is still undetermined. Over the next ten years, several major developments could have a positive or negative effect on economic and social risks and public expenditure. These include macroeconomic and financial prospects, climate change, ageing populations, immigration and the digital economy. The first step will be to assess the consequences of possible changes in the economic and financial context for the management of public finances, then to calculate the effects of foreseeable economic, social and geopolitical developments.



Employment and labour market policies

France has a wide range of policies designed to promote access to quality and stable employment. Despite this, it has had high levels of unemployment for years. What's more, when compared to its European partners, the country has seen little change in its joblessness, which affects different segments of the French population unequally, resulting in growing social tension. This raises questions as regards the objectives of employment policy, whether it concerns factors such as the unemployment or employment rates, the quality of employment or career paths. What levers are avail-



Regional dynamics and inequalities

Regional dynamics are at the heart of inclusive growth, employment and sustainable development – all important challenges France currently faces. Can sustained growth – the main drivers of which are now in urban areas – be combined with a reduction in inequality within communities and between different regions over the next decade? Should inequality be dealt with individually or on a regional level? How can the growth potential of metropolitan areas be spurred while at the same time improving the situation and well-being of the population as a whole?



Climate change goals and strategy

The Paris Agreement, which was adopted at the end of 2015 COP21, has changed the way we see the fight against climate change. It has forced us to plan a move towards a carbon-free society in the medium term. Having reduced its greenhouse gas emissions more than 20% since 1990, France seems to have gotten off to a good start. However, it is doubtful that it will achieve carbon neutrality in the second half of this century. The issue is the scope and speed of the efforts we must make in the next 10 to 15 years and what our priorities must be to meet this challenge.

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France Stratégie is a policy institute dedicated to informing and enriching the public debate. It anticipates economic and social shifts by engaging with civil society and the public and private sectors at home and abroad. Its policy recommendations sketch out a strategic vision for both France and Europe. Combining breadth with depth, its research covers employment, sustainable development, economics and social issues. France Stratégie is a forum for interdisciplinary ideas and expertise, overseeing a network of eight specialized bodies.

THE DEBATES

The candidates in France's May 2017 presidential election will not necessarily give social, economic and environmental issues equal consideration. Nevertheless, governments across the globe will be grappling with them in the years to come – and they are certain to influence the decisions citizens make. They must therefore be set forth in a methodical, objective and non-partisan manner.

France Stratégie invites all citizens who wish to contribute to the public debate with facts and analysis to participate in the exchanges to be held on these issues in the coming months.

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THE PROJECT**



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