



## France moving forward

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After the rejection of the draft European constitution by a majority of French citizens in May 2005, some felt that France feared globalization. Last November's violence in French suburbs was perceived as a failure of French integration policy. The demonstrations of French young people against the proposed "First Job Contract" (CPE), and the subsequent withdrawal of the proposal, reflected the image of a country unable to adapt to change.

Contrary to the impression this turbulence produced, France is not attempting to preserve outmoded privileges. It is an increasingly open society, enriched by global contacts while remaining faithful to the European ideal. It is involved in a great democratic debate to tackle successfully the challenges of globalization: competitiveness, co-operation and solidarity, cultural diversity. It is on the path to reform, even if the genuine progress achieved is sometimes veiled by the problems that remain.

## **I- France adapts to globalization**

### ***Fighting unemployment is a top priority***

- France's productivity levels are among the world's highest, superior even to those of the United States. Though its unemployment rate is higher than the average in Europe and Canada, it is steadily decreasing: during the last few months, it has fallen regularly from 10.2 to 9.1% of the work force.
- This fall in unemployment is a direct results of several reforms: a decrease in employer contributions, a relaxation of the 35-hour-week law, better management of services for the unemployed, emphasis on training and education, and a new model recruitment contract for small businesses.
- The reform of the French labour market is on the right track. In an increasingly flexible job market, employers are finding it easier to recruit staff. The reforms underway target in particular small and medium-sized businesses, which form a particularly strong and innovative network in France.

### ***Successful reforms***

The French government has undertaken an ambitious series of reforms, inspired by external models.

- A new law came into force in 2006 reforming public finances. It lays the emphasis on results and performance. This law has an impact on all aspects of French government, enhancing the ability of Parliament to monitor public expenditure so improving transparency.
- In France, **online government is a reality:**
  - 90% of administrative forms are available on the internet.
  - The online income tax return has proven a great success.
  - In most French cities, birth certificates may be obtained online within twenty-four hours, free of charge.

→ The free single phone number for all government services, 39 39 (“allo service public”), puts immediately on line every citizen with any official service.

- **The end of conscription** has led to the formation of a high-level professional army, adapted to modern needs.
- **The pension reform** of 2003 safeguarded a pension system based on solidarity. By deferring retirement age it has prolonged the period during which a person may contribute. Thanks to retirement savings, now anyone can work longer if they so choose.
- The French **healthcare system** was described by the World Health Organization as the “best in the world”, thanks to its state-of-the-art technology, accessibility, and universality with universal health insurance which assures free treatment for all, regardless of their level of need.

→ Our healthcare system, comprising both private and public elements, has been strengthened by recent reforms. In particular, the **health insurance reform** of 2004 guarantees the financial viability of the system.

- Over the last twenty years, **the state has divested its holdings in major firms**. For instance, Air France, France Telecom, EADS, Thalès, and, most recently, the highway network and “Aéroports de Paris” have been privatized. Shares in Electricité de France have been sold.

### *Decentralization continues*

France's regions hold great appeal. The dynamism of Paris should not hide our country's diversity and the multitude of talents available in our regions. We are particularly proud of our high technology industry and its cooperation with our European partners.

- To highlight these skills the government has helped to create **67 regional competitiveness clusters**, which associate universities, research facilities and businesses.
- Sixteen of these clusters have a global outlook.
- It is not only France's geographical position which attracts overseas investment. Its superior transport infrastructure is cited by investors as a major factor in their choice of location. France boasts a dense network of highways (9,600 km) and a first-class railway system, with a high-speed TGV network ('Train à Grande Vitesse') which continues to expand, in particular in the east of France and beyond into Belgium, the Netherlands, Germany and beyond.

### *A firm commitment to security and defence.*

- 2.6% of France's GNP is devoted to defence. About **34,000 French troops** are deployed overseas, of which over 600 are in Afghanistan.
- French commanders have led numerous **NATO** operations. France is the third highest contributor to NATO in terms of troops. France strongly supports a European defence policy which will allow Europe to honour its commitment to international security.
- France is taking the lead in the international **fight against terrorism**, while respecting human rights and democratic principles. The French government has recently published a White Paper on domestic security against terrorism with a view to adapting our policies to prevent and to combat terrorism as this global threat evolves.
- Contrary to some reports, the crime rate in France is no higher than most of industrialized countries and it has regularly fallen in recent years.

### *Successful information and communication technologies*

France has closed the gap in this field and **now has the highest level of broadband connectivity in Europe.**

France has achieved this while fully respecting the privacy of its citizens. Since 1978, the National Committee on IT and Freedoms ('CNIL'), an independent authority, has guaranteed citizens access to their personal data while assuring that such data is used lawfully.

## **II- An open and dynamic society**

France is open to the world, and a full and active participant in the globalization process.

### *France, a country of integration*

France has a long tradition of welcoming and integrating peoples from abroad. Situated where it is in Europe and the Mediterranean, with long-standing links to the African continent, French society and culture has long been enriched by a history of **highly diverse immigration.**

Some mistakes have been made, not least in the urban planning decisions of the Sixties and Seventies. Today, France is committed to resolving the problems which certain sectors of our society face as they integrate, beginning with young people living in deprived areas.

A key goal is to reduce the youth unemployment rate.

- This is the objective of a recent **law on equal opportunities** which provides for:
  - improvements in training and apprenticeships

- an ambitious programme of urban renovation
  - new free enterprise zones to stimulate businesses and job creation in deprived areas.
  - an ambitious programme of urban renewal and new social housing – 400,000 units were built in 2005.
- **A new High Authority for Equality and Anti-Discrimination (HALDE)** was established in the spring of 2005. It tackles discrimination in every sector of daily life, including housing and the workplace. Composed of individuals from private companies, government and civil society, it has the power to initiate and execute investigations. In its first annual report it has made a number of concrete proposals: in particular, it calls for legislative reform with a view to improving access to housing, with a view to promoting diversity and addressing inequalities.
  - The French National Assembly has just passed a law **reforming immigration criteria** to improve our management of immigration flows. In parallel, France has reviewed its development policies towards those countries with a tradition of high emigration towards France.

### *France fights intolerance*

- In 2004, Parliament passed an Act pertaining to the wearing of religious attire or insignia in State schools. This piece of legislation has often been the subject of misunderstanding in Canada. Its purpose is to promote tolerance by ensuring that places of education remain neutral zones. Since its implementation, **the law** has not posed any problems of enforcement.
- As one of many countries faced with a rising number of anti-semitic incidents, France has reinforced its arsenal of measures to tackle **anti-semitism**:
  - a zero tolerance policy has been implemented;
  - the law provides for tougher penalties against perpetrators of anti-semitic acts;
  - security near schools and places of worship has been enhanced;
  - the police and judicial authorities have received special training to tackle this issue.

France was the first country to ban broadcasts from the Al-Manar channel in its territory.

→ These policies have already borne fruit: the number of **anti-Semitic incidents has fallen by half** in 2004 and 2005.

### *The French show great vitality*

- France has Europe's second highest birth rate with 1.94 births per female, a rate which is rising.
- Contrary to a common misconception, French are not overly reliant on the public sector. In fact, there are over **one million non-profitable organizations in France**.

- France is a **country of entrepreneurs**. There are 2,600,000 businesses in the country and 200,000 businesses are created or taken over each year, the procedures for which have been simplified considerably.
- French universities (including its renowned 'grandes écoles') provide internationally-driven, high quality teaching. Forty measures have just been announced that will further facilitate student exchanges.

### ***A very competitive economy***

Among the larger European countries, France is the most significant exporter (expressed in terms of exports as a proportion of GDP, which in the case of France is 22%). France is the world's fifth largest exporter and fourth as far as services are concerned. Exports account for one in every five French jobs.

### ***France welcomes foreign investment***

- On average, since 2002, France has ranked third for investments, just behind the United States and China. There are 18,000 foreign companies established in France accounting for one job in every seven.

### ***International companies in all sectors***

Major French corporations are international players. They are present **in all sectors**. Among most well-known French companies actively investing abroad:

- agri-food (Danone)
- chemical engineering and pharmaceuticals (Air Liquide, Sanofi-Aventis, Servier)
- iron and steel industry (Arcelor)
- power production (Total, Areva)
- aeronautics (Dassault, EADS)
- defense electronic systems (Thalès)
- construction (Lafarge, Bouygues, Vinci)
- telecommunications (Alcatel, France Telecom)
- transports (Air France-KLM)
- hotel industry (Accor)
- cosmetics (L'Oréal)
- luxury goods (LVMH)
- communication (Publicis, Vivendi)
- management of public utilities (Veolia)
- interactive entertainment products (Ubisoft)
- banking and insurance (BNP-Paribas, Société générale, Axa, Dexia).

→ these world-class companies are compete globally on a level playing-field.

→ 45% of shares in CAC 40-listed companies are owned by non-residents.

In short, France is the world's:

- 6<sup>th</sup> economic power
- 5<sup>th</sup> goods exporting country

- 4<sup>th</sup> services exporting country
- 3<sup>rd</sup> for competitiveness
- 2<sup>nd</sup> for hourly productivity
- 1<sup>st</sup> as a tourist destination (70 million tourists annually, of which 270,000 are Canadians)

### ***Showcase projects on French soil***

- Cadarache, in the south-east of France, was chosen among several international candidates as the location for the construction of the **ITER** reactor. This **global project** aims to establish new forms of energy production, using controlled fusion, to secure energy supplies in the future.
- The construction of the **Millau viaduct** demonstrates France's commitment to realising outstanding infrastructure projects, integrating its transport network still more closely within the heart of Europe.
- To support the great industrial and technological projects of tomorrow, France has created an Agency for Industrial Innovation, with a budget of 1 billion euros in 2006. Among the projects it supports are:
  - **Quaero**, a Franco-German project to create a next generation internet search engine, in which Thomson, France Telecom and Exelead are major players.
  - The “**Mobile TV without limits**” programme, bringing together Alcatel, Safran and our best laboratories, those of the CEA (French atomic energy commission), CNRS (French national scientific research center) and INRIA (French national institute for computer science and control).
  - The **hybrid diesel vehicle** project (PSA, Michelin and Valeo)
  - The **new-generation automated metro** (Siemens and Lohr)
  - The **ecological building** programme (Schneider, Somfy)
  - The **bio-refinery** programme (Roquette, Metabolic Explorer)

→ The Agency will be looking at 30 or so other **projects** between now and the end of the year, including:

- “Iseult”, very high resolution imaging to gain a better understanding of brain function;
- “Biophonique”, a project designed to develop new optical tools for dermatology and cosmetics.

→ France's major achievements are often great European achievements: for example, the Ariane programme (France, Germany, United Kingdom, Spain, the Netherlands, Belgium), and Airbus (France, Germany, United Kingdom, Spain). Many of France's landmark architectural achievements owe their design to foreign architects: the Millau viaduct (Norman Foster from the United Kingdom), the Louvre Pyramid (I. M. Pei, United States), the Pompidou Centre (Sir Richard Rogers, UK, and Enzo Piano, Italy), the Orsay Museum (Gae Aulenti, Italy), the Great Arch at La Défense (Van Spreckelsen, Denmark), and the Bastille Opera House (Carlos Ott, Canada).

### **III- A country dedicated to more equitable globalization**

#### ***Strengthening the European Union***

The rejection of the draft European constitutional treaty was not a rejection of Europe. The French want the European Union to be **more efficient and closer to its citizens**.

Europe is a great asset. It is an area of peace which now brings together 25 States committed to moving forward together, and a market of 460 million people. The Union will soon welcome two new Member States.

In order to move onward, France is calling for the relaunch of the European project through concrete initiatives to bring the European Union closer to its citizens. The French government has called for an integrated energy policy. It has also proposed a number of institutional improvements. France backs the European Union's research effort, which has increased by 40%. With the full support of France, the European Union provides more than half of global official development aid.

#### ***Promoting cultural diversity***

With the support of the Member States of 'La Francophonie', France was a major player in the negotiation of the UNESCO Convention on cultural diversity.

A unique museum in the world dedicated to all "non-western" forms of arts and cultures, the Musée du Quai Branly, has just been opened in the heart of Paris.

#### ***The challenge of global warming***

Over the last 40 years, France has implemented an energy programme which has considerably reduced its dependency.

- Nuclear energy, which represents 80% of the energy produced in France, has helped us to reduce greenhouse gas emissions in line with our commitments under **the Kyoto protocol**.
- In four years, France quadrupled its research budget for the development of non-polluting vehicles.
- In the year 2010, 10% of France's energy needs will be provided by renewable energy sources.

#### ***The commitment to human rights and multilateralism***

- In the United Nations, France played a prominent role in the creation of the **International Criminal Court** and will be represented in the new Human Rights Council.

- The 'Francophonie' ministerial conferences in Bamako (2000) and Saint Boniface (May 2006) have taken forward our consensus on democratic principles, conflict prevention and human security.

France is committed to tackling potential threats to global security in full accordance with international law. France supports the action of international organizations, foremost among them being the United Nations.

### *Helping developing countries*

- France devotes **0.44%** of its GDP to development aid, the highest percentage among G8 countries.
- The French effort will rise to 0.55% of GDP in 2009 and 0.7% in 2012.
- To achieve the Millennium Development Goals in the fight against poverty, France proposes identifying **innovative sources of financing for development**. As of July 1<sup>st</sup>, France will levy a "solidarity contribution" on all international air tickets.
- France is also behind an initiative to establish an **international drug purchasing facility**, with a view to providing affordable drugs to developing countries in order to fight pandemics.

Our **civil society** is fully involved in the work to assist developing countries. French citizens participate in their thousands in NGOs such as Médecins Sans Frontières ("Doctors Without Borders"), which was awarded the Nobel Peace Prize in 1999.

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