"In France, economic truths are like thick-husked seeds - they take many years to come through."

Duc Pierre-Marc-Gaston de Lévis made this observation in 1807. He had just returned from England, the land of free enterprise, to a France where, even at that time, the economy was already regulated! Since then, the comment by the author of Considerations on the Financial Situation in France has been confirmed a thousand times, particularly in the last few decades.

Pensions, savings, social model, economic model, impact of Europeanisation and globalisation: all the problems France now faces were not only foreseeable, but foreseen. And nothing was done - or very little. The demographic time bomb affecting pensions has been recognised since the end of the baby boom in 1965. In 1990, I wrote in the Economie et Statistique journal: "The worst possible approach would be to sit back and wait." There’s no need to be a fortune teller, just look at the figures. In 1991, Michel Rocard himself calculated in his white paper on pensions that the ratio of contributors to pensioners would fall from 2 in 1990 to 1.4 by 2010. This did actually happen and it didn’t stop there: the ratio had declined to 1.36 by 2012. Armed with this knowledge, what did we do? We served up three reports and five reform programmes. But as none of these reforms really tackled the issue of financing, our current distributive pension system is now funded by borrowing, piling new debt on top of existing debt.

Why has the government refused to come up with an organised and well thought-out scheme to develop pension saving and pension funds, leaving us instead with a worker/retiree ratio that is ultimately unsustainable? Such a scheme would have had another potential benefit, creating a pool of long-term savings that would have eased the transition from a debt-based economy to a modern and disintermediated equity-based economy. Sadly, the short-sightedness of successive political leaders has left us in the lamentable position where foreign pension funds now plug the gap created by years of political indecision. Today, 47% of CAC 40 shares are held by non-residents!

There are countless examples of poor public "risk management". Jobs first began to dry up in the wake of the 1973 oil crisis, something that should have prompted a rapid reform of our labour market. Questions pertaining to integration should have been asked as soon as immigration began to rise in the 1960s. Educational issues should have been addressed as a matter of priority, but instead, the education system was allowed to drift into a continual decline.

Sadly, France, the nation of haute cuisine, has its very own special recipe, a recipe for procrastination. Remember François Mitterrand's crazy formula "you have to give things
time"? Well the procrastination recipe takes around 25 years. The ingredients: obscuring the facts, denial, underestimation, commissions, discussions, consultations, dialogue, legislation, regulations, etc. You also need to add generous pinches of classic excuses, which France also excels in, and which always block any decision. These include incessant procrastinating nonsense such as "Now is not the time", "You would put everyone out onto the streets", "We need a thorough consultation", "You really want to bring down the government". Mix all these ingredients together and you end up with a social model that cost 34% of GDP in 2013, compared to 27% in 1990, with no sign that France is outperforming other European countries on unemployment, reemployment, integration, well-being or life expectancy as a result. In fact, the drag caused by this hastily thrown-together patchwork of a system damages corporate competitiveness and hinders growth.

Europeanisation? Global competition? Here again, none of these phenomena came out of the blue. The erosion of commercial trade borders in Europe began with the Single European Act of 1986. The impact of globalisation has been evident since China joined the WTO in 2001. From that moment, we should have been doing everything possible to bolster our competitiveness. We did exactly the opposite, expanding the public sector, overtaxing capital and introducing the 35 hour work week, making gardening and DIY the dominant activities of the French workforce.

Rather than push through a determined and thought-out process of reform, our governments have given us more than 25 years of emergency and crisis plans: the emergency schools plan, the emergency plan for the suburbs, the emergency shellfish breeding plan and, rather marvellously, the emergency plan for...hospital emergencies! All of which laid end to end would still not add up to a long-term policy or vision. The approach has been both stressful and ineffective. And don't quote me Keynes's famous and dangerous remark: "The long run is a misleading guide to public affairs. In the long term we are all dead." What a foolish statement! In the long term, there is... another short term! The difficulties we have inherited today are just problems that were not sorted out yesterday, when there was still time to deal with them.

France needs to regain its sense of direction, to start thinking long term once more. This vision for the country means building a knowledge society, a growth society, a confident society. In the 19th and 20th centuries, our strength came from a massive investment in knowledge, which is how we were able to develop a top-notch school system and a technical and scientific culture that generated so much wealth. In contrast, the crucial educational crisis that we are seeing today lies at the core of our weakness. Between 2000 and 2012, France fell from 13th to 25th place in the PISA rankings. If this trend is to be reversed, we need to reinvest heavily in young people, in science, in knowledge and in its dissemination.

A confident society does not necessarily mean a stable society. France does not need stability, but movement! And for that it needs to attack the major imbalances that undermine decision-making. The most important of these imbalances is that we have an over-bloated government and not enough civil society. In a way that de Tocqueville would certainly recognise, we need to show that we have faith in individuals, by restoring freedom and responsibility to economic agents. In the public realm, the government should govern. French people are tired of being managed, mothered, regulated and supervised – they want to be governed! Paradoxically, we have recurrent excessive power, but a crippling lack of authority. We need to reverse this trend by reaffirming the value of authority - authority is what allows one person to set another in motion without the use of violence, whether physical or symbolic.
The growth society also needs major changes. It must emphasise *accumulation* rather than *redistribution* and *sharing out*. It must stop blocking the process of creative destruction and allocate resources where they are needed. It must invest massively in the productive sphere, in infrastructure, in research and development, and it must cease to tax wealth and to discourage risk-taking.

To relaunch France, we need to do three things: develop a vision, instil profound values and follow through with unwavering determination. Only by meeting these three demanding conditions can we counter the three dangerous trends that our indecision has left us prey to: populism, protectionism and (bad) patriotism. If we dare, France will rise to the challenge!