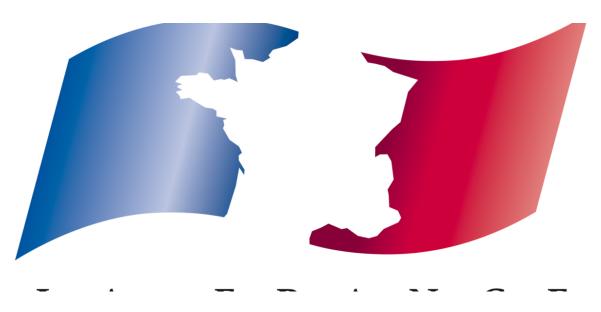
Les Etats De La France 2012



An INSEAD study shows why and how France can reconcile efficiency and equity.

France should strive to become a meritocracy, adopt measures to become more transparent in its political and social decisions, and rely on consultation and compromise to resolve escalating tensions in the country's social, economic and political realms and to turn around budget deficits and faltering growth.

Those were the conclusions of the report "Reconciling Competitiveness and Justice", prepared by INSEAD for the seventh annual "States of France" conference held in December at the Economic, Social, and Environmental Council in Paris. Some 600 INSEAD alumni – all businessmen and women – were surveyed for the report; 33 percent of the respondents were French, 80 percent European. The report was written by **Bruno Lanvin**, Executive Director of INSEAD's eLab, and **Ludo Van der Heyden**, Mubadala Chaired Professor in Corporate Governance and Strategy at INSEAD.

The Role of Justice

Reviewing the economic, social, political and international "states" of France and the direction taken by the country's newly-elected socialist government, the report concludes that a competitive economy is not incompatible with social and economic justice, while finding that France is currently divided between an outwardly-looking, adaptive group and one that is inward-looking and protectionist. It points out that "procedural justice" (conflict resolution by decision-makers) lies at the heart of France's current problems, as the average Frenchman seeks to maintain his social safety net ("social justice") in the face of government spending cuts.

Respondents favour re-introducing merit-based criteria into French society; improving the country's economic, social and political governance structures; flexibility in adapting to changing global realities, and rectifying the negative impact of the current financial crisis on education policies.

To read the full report click here.

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