5. France: The public service under pressure

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1. INTRODUCTION

In France, the crisis that started in 2008\(^1\) erupted in a context in which significant reforms had been introduced recently, affecting both the size and the organization of the public service, which plays a crucial role in France as it employs about one-fifth of the total workforce. This raises a methodological issue, as it may become difficult to disentangle, in the changes undergone by the public sector, what is due to reforms introduced before the crisis and what results directly from measures induced by the crisis.

France is a good example of a mix of structural reforms and quantitative adjustments in the public service which raises the issue of how they are combined or when and where they may reveal inconsistencies. The issue is complex because if some structural changes result directly from policies intended to reform the public sector, others may also be induced by the quantitative adjustments themselves, such as job cuts, for instance, which may impact on public service organization and delivery.

The consequences of public sector adjustments can first be assessed in terms of their impact on public employees – concerning employment level and status,\(^2\) wage level and structure, but also work organization and working conditions. The second set of consequences that must be taken into account concerns the labour market. As the public service is a significant employer of well-educated school-leavers and of women, these categories may be more affected by the freeze on hiring and/or job cuts. Finally, one needs to investigate the consequences of the adjustments for public service delivery, in both quantitative and qualitative terms.

Section 2 focuses on the main features of the adjustments in the French public sector, beginning by mapping the background, before presenting the main measures. Section 3 focuses on consequences in terms of pay, employment and public service activities. Section 4 introduces two case studies to illustrate both the modalities of adjustment and their effective
and potential impacts. Section 5 summarizes findings and offers some concluding remarks on the policy issues raised by these adjustments.

2. PUBLIC SERVICE ADJUSTMENTS BEFORE AND AFTER THE CRISIS

2.1 The French Public Service: Between Uniformity and Segmentation

Figure 5.1 gives an overall picture of the French public sector, introducing a distinction between public sector in the broad sense, public administrations and public service (in the strict sense). The last, the Fonction Publique (FP), on which we shall focus in what follows, covers central government

| Public sector (1) | (6.86 million employees – 25.5% of total employment) |
| State-owned companies | (800,000 employees – 3% of total employment) |
| Public administration (2) | (6.06 million employees – 22.5% of total employment) |
| Public administration with employees under private labour law | (for example, Social Security Funds, publicly funded non-profit private hospitals) | (740,000 employees – 2.7% of total employment) |
| Public service (‘Fonction Publique’) (3) | (5.32 million employees – 19.8% of total employment) |
| Central Government Public Service (‘Fonction Publique d’État’ = FBE) | 45% |
| Central government administration (that is, ministries) + national public administrative establishments under public labour law except public hospitals |
| Sub-Central Government Public Service (‘Fonction Publique Territoriale’ = FPT) | 35% |
| Sub-central government administration (that is, regional, departmental and municipal authorities) + regional and local public administrative establishments under public labour law except public hospitals |
| Public Health Sector (‘Fonction Publique Hospitalière’ = FPH) | 20% |
| Mainly: public hospitals |

Figure 5.1 Public sector, public administration and public service in France, 2008
administrations (FPE), sub-central government administrations (FPT) and the public health sector, mainly public hospitals (FPH). At the end of 2008, the number of employees in the three branches of the public service amounted to about 5.32 million (in other words, about 19.8 per cent of total employment in France). Among them, about 45 per cent were in the FPE, 35 per cent in the FPT and 20 per cent in the FPH.

Since the Napoleonic period, the French public service (Fonction Publique, as defined above) may be considered a good illustration of the typical Weberian state bureaucracy, with a highly centralized structure, and a specific and strong employment status, coupled with a deeply entrenched ‘public service identity’. Common rules are fixed at the central level and tend to apply to all employees. This applies particularly to the grading system associated with a unified pay scale, the so-called public service wage grid (grille de la Fonction Publique). This scale defines the index of basic wages for all employees, from the lowest level (index level 295 in 2011) to the highest (the maximum index of the scale is 1501). The ‘index point’ is worth a given amount in euros. Since July 2010, the value of the index point has been €55.5635; this means, for instance, that the annual gross basic wage of an employee whose wage is at index 295 will amount to €295 × €55.5635 = €16,391, that is, about €1,366 a month.

On top of the basic wage come specific allowances (family and housing allowances mainly), as well as bonuses and premiums, which depended until recently only on the work post and/or the position held (or the specific administration in which one works), and not on performance. In this system, pay progression is mainly seniority based: the employee’s wage index increases automatically every two or three years until reaching the highest wage index available in his or her grade in his or her occupational category, the so-called ‘corps’ (for instance ‘second class university professor’ – ‘second class’ being the grade, university professor being the occupational category). Length of tenure is also a criterion taken into account for promotion to a higher grade in one’s occupational category (for instance, to move from second to first class). Note that all the occupational categories (corps) are classified in one of the three broad occupational groups: ‘C’ for the low-skilled occupations, ‘B’ for middle-skilled occupations/middle management staff and ‘A’ for high-skilled occupations/upper management.

Despite its apparent high degree of centralization and uniformity, the French FP, in many respects, is quite a fragmented system. One has to keep in mind that there is not only one but three public services, as detailed in Figure 5.1. The sub-central government administrations (regional and local authorities), the FPT, have a high degree of autonomy concerning human resource management, especially hiring. It means that policy
decisions taken by the central government on downsizing, for instance, will not apply to the FPT. Concerning pay, within each branch of the public service, the share of bonuses can vary a lot from one administration to another: for instance, bonuses are much higher in the Ministry of Finance administrations than in the education system, but it is almost impossible to obtain detailed data and the precise distribution of bonuses across the different administrations is one of the best kept secrets. Within each branch of the FP, the corps act as sub-internal labour markets (specific entry competition with numeros clausus, specific seniority rules, specific bonuses and so on).

Another important source of diversity is employment status. There is a crucial difference in France between statutory and contractual employment. The first covers regular civil servants – about 85 per cent of all public employees. Contractual (‘non-established’ or ‘non-civil servant’) public employees are mainly workers on fixed-term contracts, recruited to meet temporary manpower shortages and/or to replace civil servants on sick or maternity leave (especially teachers, see Subsection 4.2). But a small proportion of contractual workers benefit from open-ended contracts. Contractual employees do not benefit from seniority-based career advancement rules and their pay (basic wage as well as bonuses, if any) is also lower compared to regular civil servants for similar jobs (see Case Study 2, the example of teachers – Subsection 4.2). But there is a high degree of heterogeneity here, as contractual employment may also be used to recruit some highly qualified workers from the private sector with a higher wage than civil servants.

2.2 Fiscal Consolidation and Public Service Adjustments

2.2.1 Delayed fiscal consolidation
France’s public budget has never been balanced during the past 30 years. As a consequence, concerns about the public deficit had emerged well before the crisis. Changes in public service wage policy to curb public spending date back to the early 1980s, but with very limited success in restoring the balance and reducing the public debt. Since the beginning of the 2000s, with the return of right-wing governments, especially from 2002, the ‘state productivity narrative’ (Cole 2010) emerged, with a move towards New Public Management. The objective was to improve the allocation of public resources, but also, clearly, to cut public spending, because of persistent public deficits (see Subsection 3.2).

Nevertheless, during the five years preceding the crisis (2003–07), the budget deficit (according to the Maastricht definition) never fell under 2.3 per cent of GDP, and the public debt increased slightly during the period,
remaining higher than the 60 per cent of GDP threshold imposed by the European Stability and Growth Pact (see Table 5.1). At the end of 2005, an influential report written by a commission headed by Michel Pébereau, CEO of BNP-Paribas, warned that public finances had to be restored and public debt curbed. In line with this report, restoring public finances was at the top of the agenda of the newly elected (in 2007) President Nicolas Sarkozy. But if priority was given to cutting public expenditure, in particular by downsizing the public service (see below), at the same time, resources were reduced as a result of tax reductions.

Since 2008, the crisis has deeply affected public finances: the public deficit has almost tripled, from 2.7 per cent of GDP in 2007 to 7.5 per cent in 2009, and was still 7.1 per cent in 2010, while the public debt jumped from 64.2 per cent in 2007 to 82.3 per cent of GDP in 2010.

The huge deficits in 2009 and 2010 due to the increase of the share of public expenditure in GDP show that, in the first years, the choice was made to let the automatic stabilizers work – and even to add some discretionary new expenditure – and therefore to postpone strong fiscal consolidation. According to an OECD survey (2011b) conducted at the end of 2010 on member countries’ ‘fiscal consolidation plans’, France turned out to be among the countries where (strong) consolidation was needed, but no substantial consolidation plan has been announced so far.

It is only with the ‘sovereign debt’ crisis that broke out in the second quarter of 2011 that fiscal consolidation was considered inevitable by many actors. Two plans were announced within a four-month period, the first in August, the second in November, aimed at saving about €17.5 billion in 2012–16 or about €7 billion as soon as 2012, equivalent to about 0.35 per cent of annual GDP, a fairly modest amount.

Overall, the fiscal consolidation directly resulting from the crisis was adopted relatively late compared to many other countries, and remained relatively moderate up to the beginning of 2012 (when this chapter was

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**Table 5.1 Public budget and public debt, France, 2003–2010 (% of GDP)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Public spending</th>
<th>Public earnings</th>
<th>Public deficit*</th>
<th>Public debt*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>53.4</td>
<td>49.3</td>
<td>–4.1</td>
<td>63.3</td>
</tr>
<tr>
<td>2004</td>
<td>53.3</td>
<td>49.6</td>
<td>–3.6</td>
<td>65.2</td>
</tr>
<tr>
<td>2005</td>
<td>53.6</td>
<td>50.6</td>
<td>–2.9</td>
<td>66.8</td>
</tr>
<tr>
<td>2006</td>
<td>53.0</td>
<td>50.6</td>
<td>–2.3</td>
<td>64.1</td>
</tr>
<tr>
<td>2007</td>
<td>52.6</td>
<td>49.9</td>
<td>–2.7</td>
<td>64.2</td>
</tr>
<tr>
<td>2008</td>
<td>53.3</td>
<td>49.9</td>
<td>–3.3</td>
<td>68.2</td>
</tr>
<tr>
<td>2009</td>
<td>56.7</td>
<td>49.2</td>
<td>–7.5</td>
<td>79.0</td>
</tr>
<tr>
<td>2010</td>
<td>56.6</td>
<td>49.5</td>
<td>–7.0</td>
<td>81.7</td>
</tr>
</tbody>
</table>

* According to the Maastricht Treaty definitions of ‘public administrations’.

**Source:** INSEE.
written). Moreover, it occurred in a context in which some public service adjustments were already in place, as we shall see.

2.2.2 Quantitative adjustments and restructuring in the public service

As mentioned in the previous section, the public service adjustments to curb public expenditure by decreasing the wage bill started in 2007, after the election of President Sarkozy – in other words, before the crisis.

The first important measure was the ‘one-for-two replacement ratio’ rule for retiring public employees. The objective was clearly to reverse the long-term trend of increasing public service staff. Note that this rule was supposed to apply only to central government administrations (FPE), whereas local governments (FPT) were still free in their hiring policy. Public hospitals were also not supposed to suffer from job cuts – health being a priority – but at the same time, they were also required to restructure (closure of small hospitals, introduction of regional health agencies to govern the health supply chain at regional level). But in 2007, a new plan was launched urging the hospitals to achieve a balanced budget by 2012. As a consequence, many of them had to implement a consolidation plan (plan de retour à l’équilibre), cutting costs by outsourcing and staff downsizing.

The one-for-two replacement rule was a perfect illustration of the ‘state productivity narrative’ (as labelled by Cole 2010), as half the money saved by these job cuts was supposed to be used to increase the wages of the remaining civil servants in order to foster motivation and reward higher productivity, the other half being allocated to reducing the public deficit. But above all, following here, too, the recommendations of the Pêbereau report, increasing state productivity was pursued by not only quantitative but also qualitative adjustments, relying on deep restructuring and the introduction of New Public Management methods and procedures.

In 2007, a new law was introduced (the General Public Policy Review, Révision Générale des Politiques Publiques: RGPP), aiming at ‘identifying the reforms that will enable the reduction of public spending, while improving the efficiency of public policies’. If it was supposed to entail reform of all ‘public policies’, it has been mainly about reorganizing central public administrations (FPE). Note that the official aim of the RGPP was to reorganize the public service to improve productivity, but not to redesign the perimeter of public service activity nor redefine its missions. ‘Optimizing’, ‘rationalizing’, ‘merging’ and ‘modernizing’ were key words of the government communication plan. But as it was associated with staff downsizing and budget cuts, some trade unions consider that the RGPP is only about public service retrenchment (see Case Study 1, Subsection 4.1).
To facilitate restructuring by promoting internal and external flexibility some public service internal market rules have also been reformed, with the adoption in 2009 of the law on mobility and professional careers (*loi sur la mobilité et les parcours professionnels*): the rules regulating internal mobility within the FP are eased, but the law also facilitates the reallocation of employees if their service or job is suppressed, as well as the recruitment of temporary workers, in particular by legalizing the use of temporary agency workers, which previously was prohibited.

Table 5.2 presents an overview of the main measures and their potential impact, which will be presented in the next section.

Overall, what is the result of all these measures in terms of fiscal consolidation? The net expected cumulative budgetary impact of the whole public service adjustment process amounts to €5.5 billion in 2009–11 (three years), the equivalent of about 0.28 per cent of GDP, which may appear quite a small amount compared to many other European countries. About 24 per cent resulted from reductions in the wage bill (following the one-for-two replacement ratio rule, and with 50 per cent of the wage bill of non-replaced retirees redistributed to the remaining public employees), 29 per cent from cuts in other running costs and the remaining 47 per cent from cuts in programme expenditure (including investments).

3. THE EFFECTS OF PUBLIC SERVICE ADJUSTMENTS

Compared to many other countries, the impact on wages of public service adjustments and reforms may appear fairly limited (Subsection 3.1), even though they may induce increasing differentiation and increasing inequalities among public employees. The adjustments were more severe in term of staff downsizing, in particular in the FPE, with also potential negative impacts on the labour market outcomes of skilled young people and women (3.2). The adjustments also significantly affected public service activity, in term of both working conditions and public service delivery (3.3).

3.1 Limited Impact on Wages but with Increasing Differentiation

3.1.1 Freeze on index points and increase in pension contributions

The annual wage increase mechanism was profoundly transformed at the beginning of the 1980s (Meurs 1993) in order to fight inflation and better control growth of the public service wage bill. Despite strong trade union opposition, it was decided in 1983 to cancel the automatic indexation of
<table>
<thead>
<tr>
<th>Type of adjustment and reform</th>
<th>Measures adopted</th>
<th>Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Quantitative adjustments in employment (job cuts)</strong></td>
<td>One-for-two replacement ratio of public employees leaving for retirement</td>
<td>The expected decrease in the FPE staff during 2008–12 is estimated at –7%</td>
</tr>
<tr>
<td></td>
<td>Introduced in 2007 to reduce the public sector wage bill; applies only to central government administrations (FPE); the effective replacement ratio depends on the relevant ministry and occupational group (it was higher for high-skilled occupations/upper management)</td>
<td>Work intensification in some services; degradation in both quantitative and qualitative terms of public service delivery in some services</td>
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<tr>
<td></td>
<td>Increase in dualism as in some activities (for example, education) contractual employees on temporary contracts were hired to compensate partially for the decrease in the number of civil service employees</td>
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</tr>
<tr>
<td><strong>Quantitative adjustments in remuneration</strong></td>
<td>Freeze of the index point: the basic wage of every public employee is fixed by its wage index level in the common wage grid (grille de la Fonction Publique); basic wage index levels range from 295 to 1,501; every index point worth about €55.5 in 2011. This index point has been frozen since 2010</td>
<td>For a majority of public employees, there are still increases in the basic wage resulting from seniority-based automatic increases or from promotion (‘career effect’); those hardest hit are those who have reached the top wage level of their ‘grade’ where there are no more seniority increases</td>
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<tr>
<td></td>
<td>Increase in pension contributions (from 7.85% to 10.55% of gross wage).</td>
<td>Introduction of a compensation measure: the individual purchasing power guarantee (Garantie Individuelle de Pouvoir d’Achat)</td>
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<tr>
<td></td>
<td></td>
<td>The public employees whose individual wage had increased (including the career effect) less than the consumer index price during the four-year period (2004–07) received a bonus to fill the gap between the two. The scheme was maintained for 2008–12</td>
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<td></td>
<td></td>
<td>This will be implemented progressively and will lead to a 3.5% loss in wages net of social contributions in 2020</td>
</tr>
</tbody>
</table>
Table 5.2  (continued)

<table>
<thead>
<tr>
<th>Type of adjustment and reform</th>
<th>Measures adopted</th>
<th>Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other quantitative adjustments</td>
<td>Reduction in operational and investment budgets. This applies to the FPE but also to public hospitals with budget deficits. Since 2007, but became stricter with the crisis</td>
<td>Deterioration in both quantitative and qualitative terms of public service delivery in some services</td>
</tr>
<tr>
<td>Restructuring and other structural reforms</td>
<td>General Public Policy Review (Révision Générale des Politiques Publiques), RGPP. Adopted in 2007. Global reform which intends to introduce New Public Management and to reorganize the public service. It is conceived as the complement of the quantitative adjustments (in particular, job cuts), ‘doing better with less’ being the motto of the RGPP</td>
<td>Restructuring of numerous administrations (reduction in the number of central divisions, and in particular the reorganization of the Ministry of Finance and the decentralized administrations of central government). Top-down process, lack of social dialogue and lack of accompanying measures led to dissatisfaction among public employees</td>
</tr>
<tr>
<td></td>
<td>Reforms of human resource management, 2008–09. Facilitation of internal mobility, but also the use of temporary workers; rationalization of the system of bonuses and premiums with the introduction of a unified premium (prime de fonction et de résultat, PFR) based on the function held, for one part, and on individual performance, for the other</td>
<td>This is a step further in the individualization of wage fixing in the public service. The freeze on index points means that across-the-board wage increases tend to be replaced by wage increases restricted to some categories or individuals. Skilled employees and in particular managers may benefit more from the PFR premium – therefore men more than women, senior workers more than young people and new entrants</td>
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index points (the reference unit of the wage grid – see Subsection 2.1) to inflation, and instead to adopt as a target a given increase in the total public service wage bill. The first result of this new wage policy was that the real value of the index point started to decline. Recently, for instance, while prices increased by 19.2 per cent between 1998 and 2008, the value of the index point increased by only 9.3 per cent (Figure 5.2). Nevertheless, it is worth mentioning that the lowest wages were not affected by this trend, as the public service has a minimum basic wage (traitement minimum) defined in monthly terms for full-time workers, which is indexed to the national minimum wage (SMIC), and which increased by more than 30 per cent during the period.11

The across-the-board wage increases were hardly affected during the first years of the crisis. If the index point annual nominal increase was slightly lower during 2008–10 than during 2003–07 (about 0.7 per cent against 0.9 per cent), its annual change in real terms was in fact higher because of lower inflation, but still negative (−0.8 per cent against −1.0 per cent). It is only at the end of 2010 that a complete freeze on the index point was decided for 2011 and 2012. Note that a freeze on the value of the

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**Figure 5.2** Evolution of the index point of basic wages and of the minimum monthly wage in the FP compared to the evolution of the consumer price index, France, 2000–2011

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**Source:** Author’s calculation based on DGAFP and INSEE data. For the definition of the index point see Subsection 2.1. Since July 2010, the value of the index point has been €55.5635. The ‘monthly minimum basic wage’ is the minimum gross monthly wage a full-time civil servant can be paid. It is indexed to the legal minimum wage in the private sector (SMIC).
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index point does not necessarily imply a freeze of the basic wage (and thus a loss in purchasing power) at individual level, as automatic increases due to seniority still apply (see below).

Another policy measure may also have a significant impact but in the medium term: reform of the rules of the public employees pension system, which is a pay-as-you go system run by the state. This reform, adopted in 2010, can be considered part of the fiscal consolidation process. It was decided to progressively increase public employees’ pension contributions from 7.85 per cent of gross wages in 2010 to 10.55 per cent in 2020. This means that in 2020 the wage (net of social contributions) should be about 3.5 per cent lower that it would have been without the reform. And for both the public and the private sectors, it was decided to increase the minimum retirement age from 60 to 62 years old.

3.1.2 Some compensation measures and other wage system reforms

As the value of the index point rose less than the price index, public employees who had not benefited from a career advancement during the period – whether due to an automatic seniority-based increase, which happens only every two or three years or even more, depending on the corps and the length of service, or to promotion – should have lost purchasing power (except for the lowest wages – see above). In 2008, the government decided to introduce a specific bonus, the ‘individual guarantee of purchasing power’ (Garantie Individuelle de Pouvoir d’Achat; GIPA) as a compensation measure. Public employees whose individual wage had increased less than the consumer index price during the past four years (2003–07) received a bonus filling the gap between the two. The measure was renewed for 2008–12.

As for central government public administrations (FPE), because the RGPP reform was supposed to increase productivity, as noted above, the government committed itself to redistributing among the remaining employees 50 per cent of the wage bill of non-replaced retirees. In fact, during the three first years of implementation, more than 50 per cent was redistributed, and the redistribution rate was higher in some ministries than in others – in 2010, for instance, about 65 per cent of the wage bill of public employees leaving for retirement was redistributed to the remaining employees in the Ministry of Finance, as against only 30 per cent in the Ministry of Agriculture.

This redistribution took the form of specific measures for some occupational categories – such as an increase in starting wages (for teachers, see below, Subsection 4.2); an occupational skill upgrading (for nurses, who were transferred from the ‘B’ to the ‘A’ occupational group, with a resulting increase in their index level); an increase in the promotion rate and so on.
Another important reform of pay and career advancement may appear more connected to the introduction of New Public Management processes than to the objective of reducing the total public service wage bill. The old system of an annual evaluation of employees was replaced from 2007 by a new individual assessment process, which is supposed to play a much greater role in promotions. Along the same lines, individual and collective merit bonuses began to be introduced in 2008–10. The objective was to rationalize and make more efficient the very complex bonuses and premiums system. The latter is to be partially and progressively replaced from 2009 by a unified premium (prime de fonction et de résultat) based on the function held, for one part, and on individual performance, for the other. This is a step further in the individualization of wage fixing in the public service, and may be seen as complementary to the lesser role of across-the-board and global wage policy.

3.1.3 Assessing overall impact on compensation

Once automatic wage increases due to seniority and wage increases due to promotions are included (in addition to the increase in the index point, see above), the average individual wages in the public service increased more than the price index since the mid-1990s, including in 2007–09 (see Figure 5.3 for the FPE), and the increase in purchasing power is even more significant if the ‘adjusted average wage’ is taken into account, to neutralize the composition effect resulting from labour turnover during the year. But this is an average: deviations may be important at the individual level.\(^\text{12}\)

The (unadjusted) private–public wage ratio has been declining since the mid-1990s, although it started to increase slightly again in 2008–09 (see Figure 5.4 for the case of FPE). Of course, these evolutions have to be taken cautiously, as no data are available after 2009, and as many compositional effects may be at play here.

The freeze of the index point associated with the indexation of the minimum wage base to the SMIC (see Figure 5.2, above) may have contributed to the compression of wage dispersion in the public service,\(^\text{13}\) but also to the flattening of wage profiles at low wage levels: in the lowest grades of the lowest occupational categories, such as unskilled clerks (classified in the ‘C’ occupational group – see above), in 2011 the difference between the wage level of an employee with 10 years of tenure and the starting wage amounted to a maximum of 3.3 per cent, whereas it amounted to about 39 per cent in the lowest grade of the top occupational categories such as university professors (A+ occupational group).

The loss of purchasing power of the index point particularly hurts new entrants (overwhelmingly young people and women) because entry wages of the majority of occupations remained unchanged in terms of index...
In those occupations, in terms of cumulated wage during the whole career, for a given occupation, a civil servant who entered public service in 2010 should earn about 10 per cent less (all other things being equal) than his or her colleague who entered in 2000, and even less if the increase in the pension contribution, which was introduced progressively from 2010, is taken into account.

Eventually, as already mentioned, the index point freeze also means that across-the-board wage increases tend to be replaced by increases targeted at particular categories or individuals. The introduction of the *Prime de Fonction et de Résultat* (PFR) should also increase wage differentiation within and between different occupations. Skilled employees and, in particular, managers may benefit more from the PFR premium – therefore men more than women (as women are underrepresented among managers – see next section), and senior workers more than young people and new entrants.

**Note:** The consumer price index does not include the price of tobacco. The adjusted average wage is calculated here holding staff constant from one year to another: in other words, taking into account in the calculation of the average wage for year $n$ only the employees already present in year $n - 1$.

**Source:** DGAFP.

**Figure 5.3** Annual increases of consumer price index, average wage and adjusted average wage in the FPE, France, 1995–2009 (%)
3.2 Impact on Employment and the Labour Market

3.2.1 Decreasing number of public employees, increasing dualism

In order to obtain a medium-term view of the evolution of the number of jobs in the FPE, and to assess the specific impact of the crisis, one may refer to the annual budget laws adopted in parliament, which every year fix the maximum number of jobs created (net of abolished jobs). There was clearly a policy turnaround from 2003, after the election of right-wing president Jacques Chirac (Figure 5.5). The balance between authorized job creations and job cuts became negative (in other words, the number of new entrants was lower than the expected number of civil servants leaving, mainly retirement). But the impact of the crisis is also very clear: the negative balance tripled from −11,200 in 2007 to −33,700 in 2010 and −31,600 in 2011.

The one-for-two replacement rule for retiring public employees adopted in 2007 (see above) was put in place progressively. The effective replacement ratio averaged about 59 per cent in 2009, and about 52 per cent in 2010. Some ministries were hit much harder than others, in particular

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*Figure 5.4* Unadjusted private–public wage ratio (average wage in the private sector over average wage in the central public service), France, 1980–2010

*Note:* Full-time workers (*salariés à temps complet*). Author’s calculations for 2009.

*Source:* DGAFP.
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the ministries of Defence and Foreign Affairs (Table 5.3), whereas others were sheltered, such as Tertiary Education and Research, and even more Justice, where the number of staff even increased during the period.

If the Ministry of Education (Primary and Secondary) benefited from a higher replacement ratio than average, it has been a major contributor to staff reductions because of its high share in public employment. Overall, about 87,000 jobs were lost during 2009–11, the ministries of Education and Defence alone contributing for 46.5 per cent and 26.7 per cent, respectively, of the total. Overall, for the five years 2008–12 the reduction in FPE staff as a whole is estimated at about 7 per cent.

It is worth noting that job cuts are not distributed equally across occupational skill categories. Indeed, the less skilled, the harder hit. In the ministries of the Economy and Finance, for instance, between 2008 and 2012, if the replacement ratio of the highest-skilled/upper management staff (‘A’ occupational group) was about 92 per cent, it was zero for the least-skilled occupational group (‘C’ group) (Cornut-Gentile and Eckert 2011: 28).

Whereas the number of civil servant employees decreased in the FPE,
between 2005 and 2009 the number of contractual workers continuously increased (14.3 per cent) and therefore also their share in public service employment (from 12.3 per cent in 2005 to 15.1 per cent in 2009 (Table 5.4). This may have resulted at least partially from a substitution process between statutory and contractual (mainly temporary) employment (as we shall see in the case of the education system – Case Study 2, Subsection 4.2), indicating an overall decline in average job quality.14

As already mentioned, the ‘replacement ratio’ fixed at the central government level was supposed to apply only to FPE: FPH were supposed to be sheltered. But as the government also imposed budget consolidation on public hospitals and the wage bill represents about 70 per cent of their running costs, many had no other choice but to reduce staff. According to the estimates of the Association of Public Hospitals (Fédération Hospitalière de France), the number of staff (other than doctors) started to decrease from 2007. Even if the figures may appear fairly low15 (–0.06 per cent in 2008, –1.29 per cent in 2009), the trend is increasing, whereas the burden on hospitals continues to increase because of population ageing. Part of this decline may be due to outsourcing some activities (such as

Table 5.3 Replacement ratio of public employees in the FPE leaving for retirement and its impact on the number of employees, France, 2008–2012 (%)

<table>
<thead>
<tr>
<th>Ministry</th>
<th>Replacement ratios average 2008–12</th>
<th>Evolution of employment 2008–12*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defence</td>
<td>11</td>
<td>–11.9</td>
</tr>
<tr>
<td>Culture</td>
<td>66</td>
<td>–4.1</td>
</tr>
<tr>
<td>Finance</td>
<td>39</td>
<td>–9.3</td>
</tr>
<tr>
<td>Economy, Industry, Employment</td>
<td>55</td>
<td>–7.5</td>
</tr>
<tr>
<td>Foreign Affairs</td>
<td>14</td>
<td>–6.8</td>
</tr>
<tr>
<td>Agriculture</td>
<td>37</td>
<td>–7.4</td>
</tr>
<tr>
<td>Interior, Internal Affairs</td>
<td>55</td>
<td>–5.2</td>
</tr>
<tr>
<td>Primary and Secondary Education</td>
<td>60</td>
<td>–6.3</td>
</tr>
<tr>
<td>Tertiary Education and Research</td>
<td>98</td>
<td>–0.1</td>
</tr>
<tr>
<td>Labour and Social Affairs</td>
<td>36</td>
<td>–8.2</td>
</tr>
<tr>
<td>Justice</td>
<td>147</td>
<td>+5.8</td>
</tr>
<tr>
<td>All</td>
<td>na</td>
<td>–7.0</td>
</tr>
</tbody>
</table>

Note: Between 2008 and 2012, in the Ministry of Defence, only 11 per cent of public employees leaving for retirement were replaced by new recruitments, and employment decreased by 11.9 per cent. * For 2011 and 2012: estimates.

Source: RGPP, 6ème conseil de modernisation des politiques publiques, note de synthèse, p. 2.

between 2005 and 2009 the number of contractual workers continuously increased (14.3 per cent) and therefore also their share in public service employment (from 12.3 per cent in 2005 to 15.1 per cent in 2009 (Table 5.4). This may have resulted at least partially from a substitution process between statutory and contractual (mainly temporary) employment (as we shall see in the case of the education system – Case Study 2, Subsection 4.2), indicating an overall decline in average job quality.14

As already mentioned, the ‘replacement ratio’ fixed at the central government level was supposed to apply only to FPE: FPH were supposed to be sheltered. But as the government also imposed budget consolidation on public hospitals and the wage bill represents about 70 per cent of their running costs, many had no other choice but to reduce staff. According to the estimates of the Association of Public Hospitals (Fédération Hospitalière de France), the number of staff (other than doctors) started to decrease from 2007. Even if the figures may appear fairly low15 (–0.06 per cent in 2008, –1.29 per cent in 2009), the trend is increasing, whereas the burden on hospitals continues to increase because of population ageing. Part of this decline may be due to outsourcing some activities (such as
catering and cleaning), but figures are not available. As in the FPE, it is worth mentioning that the share of non-civil servant employees has increased in public hospitals since the mid-2000s (from 13.8 per cent in 2005 to 15.9 per cent in 2009 – see Table 5.4).

As for the third branch of the FP – the local government administrations and public establishments (FPT) – until 2011 it was relatively sheltered in employment terms. If the number of employees continued to (slightly) increase in 2008 and 2009 it is mainly due to the transfers of staff from the FPE. The number of contractual employees decreased in 2009 (by 1.9 per cent in municipalities, 5.5 per cent in départements and up to 23.9 per cent in regional governments). This may indicate some cutting of temporary jobs. Because of their high debt level and also because of the decrease in the central government financial contribution to their budget, as well as tax reform, many regions, départements and municipalities will have to implement budget consolidation from 2011 to 2012.

### 3.2.2 Cuts in recruitment and their negative impact on the skilled youth labour market

The public service (FP) plays a lesser role as employer of young people than of the working-age population as a whole (see Figure 5.6). In 2010, only 16.1 per cent of employed young people were working in the public sector, against 20 per cent of all workers. Moreover, among the young people employed in the public service, about 26 per cent were on temporary contracts\(^{16}\) (against about 15 per cent of all public service employees).

Nevertheless, if we focus on skilled young people, the picture may appear quite different. Recruitment in the public service plays a very important role for the highly qualified labour market entrants. For

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**Table 5.4  Evolution of the share of non-civil servant (that is, ‘contractual’) employees in the public service, France, 2000–2009 (%)**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>FPE</td>
<td>12.6</td>
<td>13.5</td>
<td>12.2</td>
<td>12.3</td>
<td>12.7</td>
<td>13.4</td>
<td>14.3</td>
<td>15.1</td>
</tr>
<tr>
<td>FPT</td>
<td>20.3</td>
<td>20.3</td>
<td>20.4</td>
<td>20.2</td>
<td>20.9</td>
<td>20.8</td>
<td>20.2</td>
<td>19.7</td>
</tr>
<tr>
<td>FPH</td>
<td>13.3</td>
<td>13.7</td>
<td>14.0</td>
<td>13.8</td>
<td>14.4</td>
<td>15.1</td>
<td>16.0</td>
<td>15.9</td>
</tr>
<tr>
<td>Total</td>
<td>14.9</td>
<td>15.5</td>
<td>15.0</td>
<td>15.0</td>
<td>15.6</td>
<td>16.1</td>
<td>16.6</td>
<td>16.8</td>
</tr>
</tbody>
</table>

*Note:* FPH = Public hospitals; FPT = Regional and local public services; FPE = Central public services (see Figure 5.1).

instance, among the cohort that left the education system in 2004, at the beginning of 2007 about 40 per cent of those who held a PhD (Doctorat) or a college degree from university (Licence) worked in the public service (Figure 5.7). This is due of course to the recruitment of teachers and researchers in the public service.

3.2.3 Labour market impact on women

To date, job cuts in the whole FP do not seem to have impacted women more than men, globally. On the contrary, the share of women slightly increased from 60.5 per cent in 2007 to 61.9 per cent in 2010 (according to the Labour Force Survey). Concerning the FPE, which was harder hit, note that if the share of women is higher than average in the Ministry of Education, the Ministry of Defence, which has also been severely affected by job losses, is male dominated.

In a wider perspective, the public service downsizing and, more widely, the privatization and/or marketization of services previously publicly provided, may have a significant impact on women in the labour market. Indeed, in 2010, about 26 per cent of all employed women were working...
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in the public service, against less than 15 per cent of all employed men (see Figure 5.6, above).

But the labour market role of the public service for women must not be considered only in quantitative terms (number of jobs). Wage inequalities tend to be lower in the public than in the private sector. In 2007, the D9/D1 decile ratio amounted to 2.92 in the private sector as against 2.26 in the FPE, 2.03 in the FPT and 2.34 in the FPH. This may be one factor explaining why the lower (unadjusted) wage gap between men and women tends to be lower in the public service (FP) than in the private sector (Figure 5.8), except in FPH, where occupational segregation plays a significant role (nurses, nurse assistants and ancillary staff are highly feminized occupations – 80 per cent are women – whereas about 58 per cent of doctors are men). In both the FPE and the FPT, occupational segregation is lower, but there is an important ‘glass ceiling’ concerning women’s access to top management: their proportion of top executives (encadrement et direction) was only 22.2 per cent in 2009 in the FPE. Moreover, women are overrepresented among non-civil servant public employees, especially in the lowest occupational categories.

Once the composition effect resulting from occupational segregation has been adjusted for (as well as individual characteristics, such as

Source: DGAFP, based on CEREQ Génération 2004 survey.

Figure 5.7 Share of the 2004 cohort of those leaving education employed in the public service at the beginning of 2007, France
qualifications, length of service and so on), one can try to measure the remaining wage gap between men and women. Because of the general and impersonal pay rules in the public sector, one can assume that wage discrimination should be lower than in the private sector, but the empirical evidence is less clear. Nevertheless, occupational segregation remains probably the main factor driving the gender wage gap in the different public service subsectors.

In order to assess the potential impact of public service retrenchment (in favour of the private sector), it is also relevant to analyse the gender wage differential between the public and the private sector. The unadjusted public pay premium is positive in France (see above Figure 5.4 for comparison of the average wage in the private sector and in the FPE). When controlling for workers' individual and job characteristics, the public wage premium remains on average positive, for both women and men. But the premium is decreasing along the wage distribution and even becomes negative for men in the highest deciles. According to Lucifora and Meurs

Notes: Gender pay gap = [(men’s average wage – women’s average wage)/women’s average wage], in per cent. FPH = Public hospitals; FPT = Regional and local public services; FPE = Central public services (see Figure 5.1). Composition effects (due to occupational skills, age and so on) are not adjusted for.

Source: Author’s calculation from DGAFP data.

Figure 5.8 Unadjusted gender pay gap, monthly wages net of social contributions, for full-time workers in 2007, France (%)
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(2006), the gap between women’s and men’s public pay premium is increasing along the wage distribution in France (as in Italy), whereas the reverse is the case in the United Kingdom. As a result, one could induce that, in relative terms, highly qualified/highly paid women would lose the most in the case of a hiring freeze in the public service.

But pay is not the only factor in job quality. One major difference between the public and private sectors relies on the fact that public jobs remain on average much more ‘family friendly’. All public employees (even if they are non-civil servants) can benefit from a ‘family wage bonus’ (‘supplément familial’) which comes on top of the universal family allowances. It ranges from €73 to €110 per month for two children, and from €182 to €281 for three children (only one member of the couple can receive it if the two partners are public employees). Another important feature is that the working-time arrangements are, on average, much more favourable to work and family reconciliation in the public service. Civil servants (but not, in general, ‘contractual’ employees) have the right to choose to work part-time (from 50 to 90 per cent of full-time), and the reduction in their wage is less than proportional to the reduction in their working-time. For instance, a 50 per cent part-time employee will receive 60 per cent of the full-time wage. Moreover, the employee can choose at any time to get back to full-time working. Furthermore, whereas in the private sector up to one-third of part-time work is involuntary, the proportion is much lower among civil servants, as, except in small municipalities, statutory employment is offered on a full-time basis. Of course, the downside is that involuntary short working times are transferred to non-civil servants (contractual) employees – in other words, working-time arrangements are a major factor in the job-quality gap between civil servants and non-civil servant public employees. Another advantage is that some leave is more important in the public sector; for instance, a public employee can benefit from up to 12 days off a year to take care of a sick child, whereas the Labour Code which applies to the private sector stipulates a five-day maximum for such leave, unremunerated, unless the collective agreement says otherwise. Leave for other family events (marriage, adoption and so on) is also more generous in the public sector. The annual number of paid vacation days is supposed to be restricted to 25 days a year (five weeks), but in many services, the effective number of days-off is higher.

In addition to these rules which facilitate work–life balance, specific human resource policies have been adopted since the early 2000s to promote gender equality. Gender parity tends to be mandatory for recruitment committees (jurys de concours). In 2008, a statement in favour of gender equality (‘Charte pour la promotion de l’égalité dans la fonction publique’) was adopted. It focuses mainly on discrimination and was
drafted in collaboration with the High Authority against Discrimination (HALDE). Some ministries were more ambitious, such as the Ministry of Foreign Affairs and the Ministry of Finance, which adopted ‘action plans’ with quantitative targets to promote gender equality, especially among top executives. The objectives of these action plans also concern the improvement of work–life balance by promoting friendly working-time arrangements.

Overall, on average, the public sector (especially civil servants) tends to be significantly more ‘women friendly’ than the private sector. As a consequence, a downsizing of public employment and/or an increase of its dualism would have a negative impact on women’s labour market prospects, in particular well-qualified women.

3.3 Impact on Public Service Activities

3.3.1 Overview of the issues at stake
As mentioned above, almost all public service activities were supposed to be maintained and even improved by the reform process, ‘doing better with less’ (‘faire mieux avec moins’) being the big motto of the RGPP. Meanwhile, staff downsizing and cuts in operational budgets (‘resetting’) may have had some negative impact on the delivery of public services, in both quantitative and qualitative terms. In other words, de facto withdrawal may be the (officially) unintended consequence of quantitative adjustments. Indeed, a ‘beggar-your-own-services’ policy may be another vector (different from privatization and outsourcing) of public service retrenchment.

In this case, the negative impact on public service delivery may be closely connected to the degradation of the work and employment conditions of the (remaining) public service employees. These conditions cover both employment status and working conditions. If statutory civil servants tend to be replaced by contractual employees, lower paid and/or less trained and skilled, this could have an impact on public service activities. The same may be true if cuts in staff and operational budgets worsen the working conditions of remaining employees (work intensification, increased stress and so on) and decrease both the level and the quality of the service delivered.

Concerning the latter, we have evidence from polls conducted to analyse public employees’ perceptions of reform. It seems that, globally, public employees think that the ongoing reforms have had a negative impact on both their working conditions and public service delivery. In a poll conducted among public employees in November 2010,20 69 per cent of respondents considered the reforms ‘unfair’. A majority also thought that
the ongoing reforms would have a negative impact on all dimensions of their work and employment conditions (autonomy, content of work activity, work intensity, compensation, career prospects, relation between managers and subordinates). Another poll was conducted in April 2011 among managers. Strikingly, their opinion appeared even more negative: 80 per cent declared that the reform had worsened their working conditions and 78 per cent thought that it had had a negative impact on service delivery. This results from the fact that managers were in the frontline to implement the reform which was supposed to maintain or even ameliorate activities, but with reduced resources. In fact, they were often obliged to implement painful trade-offs, leading to the de facto withdrawal or deterioration of the service, without any guidelines from above, as pointed out by many trade union representatives (see Cornut-Gentile and Eckert 2011, annex 1).

Assessing the exact impact of the reform process on the activities of public service employees and the delivery of public services is beyond the scope of this chapter. One major difficulty is that the RGPP reform has been a comprehensive process affecting all branches, and nearly all public service entities (except for local government administrations). It would be necessary to assess its impact very precisely at the micro level. We shall try in what follows to highlight some trends that seem to be emerging and to present some issues raised by different actors in the field concerning the effects of public service adjustments. As it is not possible to cover the whole range of public service activities, we shall focus here on some key sectors: security, employment, social services and health.

3.3.2 Some consequences for regalian functions: security

Restoring security has been put forward as a matter of the highest priority by Nicolas Sarkozy, as Minister of the Interior (2002–04) and after being elected president from 2007. Nevertheless, the corresponding administrations were not sheltered from downsizing and restructuring. According to the detailed report of the National Court of Accounts (Cour des Comptes 2011), the number of police employees has decreased by 2.3 per cent at national level (–1.6 per cent in the Police Nationale, and –3.4 per cent in the Gendarmerie). Operational budgets other than staff and programme expenditure have decreased by 10.6 per cent during the same period, sometimes with dramatic consequences for working conditions.

In order to compensate for the staff cuts, overtime has increased by almost 80 per cent during the past six years, meaning a sharp increase in workload. In some cases, retirees had to be called back to help their colleagues. The number of low-skilled, low-paid contractual staff has also increased, such as the gendarmes adjoints volontaires, recruited for
France

a maximum of five years with no requirements in terms of diploma, and remunerated at the minimum wage level. As the number of national policemen and -women (including gendarmes) appears insufficient, many municipalities have introduced and developed municipal police forces. Between 2002 and 2010, the number of municipal police staff increased by 35 per cent. But inequalities between municipalities may be important, as resources are very unequal. The municipality of Cannes, for instance, dedicated 8 per cent of its budget to security (against less than 1 per cent in the poorest municipalities) and hired 191 municipal policemen and -women, almost as many as the 219 national policemen and -women appointed in the municipality. An increasing number of municipalities also outsource the security of municipal buildings or local events to private agencies.

Safety and security are not only about the police, but also health and sanitary controls, for instance in the food processing sector (including restaurants and food markets). Cuts in inspection staff have been high since 2007 (about –8.3 per cent in 2011 alone). This has significant consequences. In some départements, the number of restaurant inspections has declined dramatically and it has been calculated that restaurants would be inspected on average only once every 10 years. In 2009, the European Commission threatened to ban the export of French poultry, because it discovered that many slaughterhouses had insufficient sanitary controls (FO 2011: 87–8).

3.3.3 Impact on social and health services: some examples

The employment and social services are also interesting when it comes to assessing the impact of public service adjustment. One important public sector reform launched in 2007 was the merger between the local branches of the Public Employment Service (ANPE) and the Unemployment Benefit System (ASSEDIC), to create a new entity, Pôle Emploi, offering an integrated service to the unemployed and making economies of scale. With the crisis, however, the number of unemployed rose significantly. In some local agencies, the number of unemployed in each local agent’s ‘portfolio’ jumped to almost 300. The working conditions of local agents have profoundly deteriorated during the crisis period (work intensification, stress due also to increasing disputes with benefit claimants). Many employees have complained about insufficient training to cope with their increasing number of tasks due to the merging of two different occupations (job search assistance and unemployment benefit case management). Between 2009 and 2010, the number of sick leaves increased by 40 per cent for those of less than five days’ duration and by 32 per cent for those of more than eight months. A report published in 2011 highlighted ‘increasing suffering at work, due to management led by financial considerations
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and relying mainly on quantitative criteria' (ibid.: 29). Even though the unemployment rate has not decreased, about 1,800 jobs were to be cut in 2011 (but new recruitments were decided at the beginning of 2012). The unions denounced the further worsening of work conditions and the correlated degradation of public employment service delivery. Another consequence is the increasing outsourcing of activities to private organizations which, according to some evaluations, are not as efficient as the Public Employment Service in helping the unemployed find a job.

Beyond the public sector proper, private non-profit organizations play a crucial role in social services (child and elderly care, but also the social and labour market integration of young people, the disabled, immigrants and other more or less vulnerable groups). Most of them survive because of public programmes, whether directly by receiving public subsidies or indirectly, because households receive financial help (public allowances or tax exemptions) earmarked for the social services these organizations provide. At the fringe of the ‘public administrations’ stricto sensu, these non-profit organizations (associations) constitute a ‘quasi-public’ sector which may be directly affected by fiscal consolidation, but plays a crucial role in maintaining social cohesion. Indeed, cuts in programme expenditure at both national and local levels have hit the whole sector hard in recent years. For instance, the number of staff in the home-provided social-care sector – which covers all occupations whose task is to help people overcome physical, mental, environmental or lifestyle difficulties – is estimated to be about 230,000 employees. According to the head of the UNA (Union Nationale de l’Aide, des Soins et des Services à Domicile), the first network of organizations in the sector, about 10,000 jobs were lost in 2010, and the number is likely to be more or less the same or even higher in 2011 – in other words, about a 9 per cent decrease in total employment within two years – whereas the need for social care continues to increase, in particular because of the increase in the number of elderly dependent persons.

The case of public hospitals is quite specific as restructuring began in the 1990s. Since then, there have been many reforms to try to curb public health spending. But as already mentioned, the pressure has increased since 2007 with the objective of cutting hospitals’ budget deficits. Staff feel pressured by the intensification of their work, especially nurses. As one put it, ‘I can’t bear it any more! We are asked to do more with less . . . We have to do everything too fast, at the expense of the patients. My work ethic and my sense of public service [sens du service public] are being challenged’. This is quoted by Agostini et al. (2011: 26), who conducted a comprehensive survey on a panel of hospitals undergoing restructuring and found that this feeling was widespread. According to a survey carried out in 2011 by the CFDT trade union in 492 establishments, between 60
and 77 per cent of the respondents among nurses, assistant nurses and housekeepers declared that their working conditions had worsened during the past five years, with increasing workloads and work intensification being mentioned particularly often.

4. CASE STUDIES

In line with the developments described in the previous section, in this section we assess the modalities and consequences of public sector adjustments by focusing on two case studies.

The first case concerns the role of social dialogue in the public service adjustments. Indeed, the way in which a reform is implemented is a key explanatory factor with regard to its impact on both public service employees and public service delivery. Has social dialogue played any role in the implementation process?

We then study a key sector which has experienced significant adjustments in recent years, the education system, which provides a good illustration of the various issues raised by public service adjustments.

4.1 Case Study 1: The Role of Social Dialogue in the Public Service Adjustments

4.1.1 Bargaining about wages and employment status

Wage fixing has been a controversial issue and a cause of disputes between governments and unions over the past 25 years, especially since the end of the indexation of the index point to inflation in the mid-1980s (see Subsection 3.1). The majority of unions are still strongly in favour of across-the-board increases through index point rises. Beyond the purchasing power issue, trade union opposition to government wage policy also results from attachment to one of the pillars of the career-based public service system. As one leader of one of the most representative unions in the public service (UNSA) stated, to increase the purchasing power of public employees by relying only on the career effect – in other words, individual wage increases due to seniority and promotions – can be considered a ‘denial of the right to career advancement’. Up to 2010, unions were able to limit the impact of wage moderation via the GIPA scheme to protect individual purchasing power (see Subsection 3.1). An agreement was signed in 2008 for 2004–07 and the scheme was extended for 2008–11 and by obtaining a higher increase in the value of the index point in 2009 than initially expected. But they were not able to avoid the total freeze from mid-2010 (maintained in 2011 and 2012).
Another important trade union concern has always been the defence of civil service employment status and the correlative fight against the expansion of contractual jobs. As we have seen in Subsection 3.2, their number has increased notably since the mid-2000s, in particular in the FPE and the FPH. Following trade union mobilization, a national agreement (*protocole d’accord*) was reached in March 2011 and a new law was adopted at the beginning of 2012 to facilitate the move from contractual to statutory employment and, within non-civil servant status, from fixed-term to open-ended contracts.26

Overall, social dialogue did have some influence on wage fixing (up to 2010) and on the limitation of increasing dualism. But the story was quite different concerning quantitative adjustments of employment (job cuts) and, beyond that, the RGPP reform process as a whole.

### 4.1.2 The RGPP reform process: top-down reforms with almost no social dialogue

The General Public Policy Review has been a very important reform process since 2007 (see Subsection 2.2). In the new structure created to govern the RGPP process, the Council for the Modernization of Public Policies (CMPP), there were no union representatives. This is symptomatic. Indeed, all the unions of public service employees were unanimous in complaining about the absence of social dialogue, from decision-making to implementation.27 As summarized by a leader of one of the public service unions, ‘The method used to implement the RGPP . . . was characterized by the total absence of social dialogue at any level. . . . neither the unions nor the organizations of the users of public services were consulted’.28 In particular, unions complained that there were very few debates in the existing consultative committees, and that when there were, the opinions and ideas they put forward were almost never taken into account in the decision-making.29 Overall, many had the feeling that social dialogue was considered rather as an obstacle and that, in the mind of decision-makers, it needed to be circumvented if the reform process was to succeed.

The lack of dialogue, information and accountability was also highlighted by the parliament. In their report on the RGPP (Cornut-Gentile and Eckert 2011), members of the National Assembly noted in particular that the information provided by the government did not make it possible to assess the relevance of the diagnosis and of the decisions made.30

Overall, the reform was perceived by many as a top-down process with very little dialogue and consultation. Moreover, it often appeared brutal because of the lack of accompanying measures – in particular in terms of training – to help public employees cope with restructuring. As pointed
out by one union leader, there was a paradox here as the state often acted worse than any large corporation, which is obliged by law to negotiate in the case of restructuring. That has to be qualified, as the scope and magnitude of accompanying measures varied from one administration to another. There were some accompanying measures in the ministries of Defence and Finance, which were among those hardest hit by restructuring. But in many other cases, the accompanying measures (if any) were restricted to increases in compensation for some categories to facilitate acceptance of the reform by public employees.

4.1.3 Individual discontent and social mobilization
Overall, however, these measures were insufficient, as is generally indicated by the perceived negative impact of the reform on the part of public employees (see Subsection 3.3). The absence of dialogue and the top-down and arbitrary character of the process may have been an important explanatory factor (in addition to work intensification and the lack of resources because of cost cutting). In the November 2010 poll mentioned above, 79 per cent of respondents felt that they were not well informed about ongoing state and public service reform, and the same proportion had the feeling that public employees had not been sufficiently involved in the reform process (in terms of decision-making and implementation).

Even if the majority of managers supported the idea of reform when the RGPP was launched, four years later, as we noted above (April 2011 poll – see Subsection 3.3), their opinion of the process and its consequences in terms of both working conditions and service delivery had become fairly negative. One reason, as already mentioned, is that they were in the frontline in making painful choices and trade-offs, most of the time without guidelines from above, to try to deal with the consequences of cuts in staff and operational budgets. The objective of ‘doing better with less’ often appeared impossible to meet.

Discontent also translated into social mobilization. The number of strike days increased dramatically in 2010 (see Figure 5.9). The reform of the pension system, which put back the legal retirement age from 60 to 62 years old (in both public and private sectors) was the main motive, as was the previous reform in 2003. But many strikes were also connected with dissatisfaction concerning pay, job cuts, restructuring and its impact on working conditions. Mobilization in the Ministry of Finance offers a good illustration. The two main directories were merged (to create the Direction Générale des Finances Publiques, DGFiP), affecting about 125,000 employees throughout France and only about one in three civil servants leaving for retirement were replaced. To facilitate the merger, there were significant increases in the compensation of some categories
of employees and, as a consequence, the total wage bill almost did not decrease. But it was far from being enough to compensate for the discontent of the great majority of employees, who complained about a significant deterioration in their working conditions. Several national strikes have taken place since 2009 with relatively high participation rates among DGFiP employees (almost 35 per cent on 27 May 2010 and more than 27 per cent on 2 February 2012). Overall, social tensions within the public service were high in 2009–12.

4.2 Case Study 2: Adjustments in the Education System – Nature and Effects

There are several good reasons to focus on the adjustments in the education system (primary and secondary schools) to get a more in-depth view of the public service adjustments. First, because of its role in economic growth and social cohesion, this is a key sector of public service delivery. Second, as mentioned briefly above (see Subsection 3.2), the education system has been a major victim of job cuts and has even become the most obvious example of these cuts for the general public. Every year, the number of retiring teachers that were not replaced was highly publicized by both the government (as a sign of its commitment to budgetary
rigour) and the unions, as proof of the ongoing dismantling of the public service. Third, adjustments in the education system were not supposed to be a matter only of cutting costs, but also of ‘doing better with less’, a key aspect of the ‘state productivity’ narrative put forward by the government. Fourth, the education system is highly feminized (more than two-thirds of teachers are women), and therefore provides a good illustration of the potential impact of public sector adjustments on women. After presenting the justifications of these adjustments, we shall turn to their modalities and their consequences.

4.2.1 Was it only about cutting costs?

As for the other sectors of the public service (see Subsection 4.1), a group of experts (including some from the private sector) was put in place in 2007. The objective was clearly to analyse possibilities for cutting staff numbers. But this was only one dimension of the objectives put forward by the government, as the reform was also justified by a harsh diagnosis of the French education system.

Under left-wing governments (up to 2002), the public budget allocated to the education system had increased notably, with the strong backing of unions. In the mid-2000s, as compared to 1990, the number of teachers had increased by more than 30,000, whereas the number of pupils had decreased by about 500,000. Meanwhile, the results in terms of education system performance were mediocre. According to successive waves of the OECD Programme for International Student Assessment (PISA) survey, the French ranking among OECD countries was not only mediocre but also declining – from fourteenth in 2000 to seventeenth in 2006 and twenty-second in 2009 in reading; and from thirteenth in 2000 to seventeenth in 2006 and twenty-second in 2009 in mathematics. For the new government of 2007, this was a striking illustration that increasing the budget was not a solution and that always spending more in terms of means without implementing structural reforms was a mistake. On the contrary, the government was convinced that in the education system it was possible to ‘do better with less’, according to the RGPP motto.

Moreover, redistributing a share of the savings from staff cuts to the remaining employees by increasing compensation, which was another key aspect of the RGPP, also appeared important for the education system. As compared to the majority of other OECD countries, both in absolute and relative terms, French teachers were poorly paid, especially with regard to the starting wage.32

The adjustments implemented in the education system not only fit particularly well with the general objectives of the RGPP, but were also a good illustration of its implementation process, as depicted in Subsection
4.1, in particular in terms of ‘top-down’ decisions and lack of social dialogue. There was almost no discussion with the unions concerning the reforms, as they were strongly opposed to any job cuts.

4.2.2 Quantitative adjustments: reducing staff and other costs

According to the annual budget laws (lois de finance) voted in parliament, the decrease in the number of staff of the Ministry of (Primary and Secondary) Education for the five-year period from 2008 to 2012 should have amounted to 70,600 full-time equivalent, mainly teachers (96.3 per cent). But the effective job cuts have been less because the number of teachers retiring had been overestimated by the government (Foucaud and Haut 2011). In primary schools, the number of teachers decreased by 1.9 per cent between 2007 and 2011, while the number of pupils increased slightly. The decline was significantly higher in secondary schools, however, amounting to 5.9 per cent during 2007–10 (see Figure 5.10), a much higher decrease than the decline in the number of pupils (about 2 per cent). It is worth noting that the decrease in the number of teachers had begun before 2007 (the peak number of teachers...
had been reached in 2005 in primary schools and in 2002 in secondary schools).

One consequence was that the decrease in the number of statutory employees had to be partially offset by an increase of contractual employees, in particular on fixed-term contracts. Whereas their share among teachers remained very low in primary education (less than 0.1 per cent), their number increased significantly in secondary education (by 37.5 per cent between 2007 and 2010), to reach the share of 4.4 per cent of all teachers in 2010. If the increasing trend had started previously, it accelerated notably from 2008. The first negative impact was in terms of increasing dualism, as the terms and conditions of employment (in particular concerning job security and wages) of contractual employees are much less favourable than those of statutory employees. Among contractual employees, there is also a high degree of segmentation, with at least four different types of employees: those on permanent contracts (open-ended contracts, but non-civil servants), those with a one-year contract (from September to the end of August), those with shorter fixed-term contracts (from one week to several months) and those (the ‘vacataires’) paid on an hourly basis, which is illegal in many cases. Since 2008, according to the trade unions, the share of vacataires has increased the most (but there are no published statistics on the topic – and, in particular, vacataires are not taken into account in the figures on contractual employees that appear in Figure 5.10).

At the end of 2011, social mobilization of contractual employees in the education system emerged and a 40-page ‘black book’ was posted on the internet to denounce their employment conditions. The second negative impact is in terms of quality of teaching. Instead of hiring well-trained teachers on a statutory basis or contractual employees with some experience, many directors of high schools had to recruit people who had never taught before, sometimes in an emergency, organizing ‘job dating’ sessions with local public employment service agencies (see FO 2011).

Another way to partially offset the decrease in the number of teachers was a sharp increase in incumbents’ overtime hours: they increased by 9.5 per cent between 2008–09 and 2010–11. This means increased earnings for teachers (one aspect of the government’s ‘insider’-oriented policy). This may have contributed to the widening of the wage gap between men and women, as on average, male teachers do twice as much overtime as female teachers.

If the primary schools were on average less affected, the impact of reducing staff was more concentrated in specific segments. This applies particularly to kindergartens for two-year-olds. Their school attendance rate decreased from 20.9 per cent in 2007 to 11.6 per cent in 2011.
Although the desirability of school attendance for very young children is still debated, empirical results tend to show that it has a positive impact on later school performance, especially for children from low-educated, low-income households, particularly immigrants (DEP 2003). This decline in school attendance may therefore have a negative impact in terms of increasing inequalities in the long run. But another negative consequence is in terms of gender equality and work–life reconciliation, as pre-elementary state schools are the cheapest available childcare facilities.

It should also be noted that job cuts were not equitably distributed between the public and the ‘private’ education system. In France, most private schools have an agreement with the state (they are part of the secteur privé sous contrat). If they can select their pupils and have tuition fees – whereas state schools are free – they have to implement the same educational programme as the state schools and most of their teachers are paid by the state and therefore considered public employees. As a consequence, private schools were also affected by cuts in public employment. But whereas in 2011–12 their share in the number of secondary school pupils amounted to 17.2 per cent, their share in public job losses (full-time equivalent) was only about 9.8 per cent (Foucaud and Haut 2011). This also raises an issue of equity and inequality, as the children of low-income families usually do not have access to private schools.

Staff reductions are not the only quantitative adjustments. Other running costs or operational expenses have also been affected. Grants for pupils decreased by 6.8 per cent between 2011 and 2012, and ‘social funds’ for needy pupils by 4.4 per cent. There was also a severe cut (of 32 per cent) in the subsidies to non-profit organizations dedicated to extra-curricular educational activities, such as help in doing homework for children with low-skilled, low-income parents, cultural activities and so on. Once again, pupils from low-income families were probably the most affected.

4.2.3 Other aspects of the reform
Doing better with less requires that quantitative adjustments be accompanied by more structural reforms.

One of the most controversial reforms in the education system since 2007 was the big change in the recruitment of teachers in secondary education. To obtain statutory employment as a teacher, one had to have at least a college degree (Licence) and to enter a national competition, with a limited number of vacancies in each disciplinary field (history, mathematics and so on). Once successful, applicants became salaried interns for one year, attending training courses and practising teaching some hours a week under the supervision of a teacher in statutory employment. With the
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reform, the one-year salaried internship has been abolished. Candidates are required to have a master’s degree and when they progress through the national competition, they immediately become full teachers with no specific training, under the supervision of a mentor (a more experienced teacher). As the requirements concerning new teachers in terms of educational level were raised, the reform was presented by the government as a way of increasing teacher quality. But the unions were opposed to the reform, claiming that the consequence would be exactly the reverse, as new entrants would no longer receive specific training. In their view, the only motive of the reform was to cut staff costs by suppressing the first year of salaried internship paid at a teacher’s starting wage.36

As in other sectors, measures to accompany staff reductions mainly consisted of increased compensation. A new ‘career contract’ (‘pacte de carrière’) for teachers was introduced. The starting (nominal) wage was increased by 18 per cent between 2007 and 2012. The wages of other teachers with up to seven years’ experience were also increased. Compensating premiums for specific activities (such as tutorship of new teachers, tutorship of disabled pupils) were introduced or increased. A new scheme for further training of teachers has also been introduced, as well as a systematic interview with a human resource manager after two years (and another after 15 years) of service.

But overall, in terms of funding, these measures remain modest. They amounted to about 0.5 per cent of the total teacher wage bill. According to the RGPP reform (see Subsection 3.1), remaining public employees were supposed to receive 50 per cent (in terms of increased compensation) of the funds corresponding to the reduction in the wage bill due to job cuts. In the Ministry of Education, the corresponding rate was only 39 per cent.

To conclude, in terms of both objectives and processes, the adjustments in the education system can be considered a good illustration of the whole public service reform adjustment process, and raise the same kinds of issues. Will these adjustments negatively impact the provision of education as a public service? As we have seen, the increasing share of contractual employees, even though so far it remains marginal (less than 5 per cent, but without taking into account the vacataires), not only induces increasing dualism in term of employment status and remuneration, but may also degrade the quality of teaching, in particular in the poorest areas where absenteeism is high among permanent teachers and therefore the use of temporary staff more important. The fact that the (semi-)private education system (which employs mainly teachers paid by the state) was less hit by reductions in staff, also raises the issue of increasing inequality of access to good education, as well as the sharp decline in the school attendance of two-year-old children.
5. POLICY ISSUES AND CONCLUSIONS

Adjustments in the French public sector cannot be considered a direct consequence of the crisis that hit France, along with the rest of Europe from 2008. The most important measures – such as the 50 per cent replacement ratio of public employees leaving for retirement in central government administrations or the RGPP reform process – were adopted just before the crisis, in 2007, following the election of President Nicolas Sarkozy. Following the ‘state productivity’ narrative, the reform process summarized by the ‘doing better with less’ motto, may appear a matter of improving efficiency by introducing New Public Management reforms, and not only as a consequence of fiscal consolidation, which indeed, until 2011, remained modest compared to many other European countries. Nevertheless, from the beginning – that is, before the significant deterioration of public finances induced by the crisis – reducing public spending in the medium term by reorganizing the public service and reducing its staff was a key objective.

One important aspect is that even though some measures were affecting (net) wages – such as the freeze of the index point of basic wages or the increase in pension contributions – overall public employees’ remuneration was not hit hard, and we saw that some compensatory measures were adopted to protect the purchasing power of (almost) all public employees. Overall, quantitative adjustments were mainly staff reductions, concentrated on the central government administrations (an estimated 7 per cent decrease between 2007 and 2012), and other operational costs.

In a way, the whole adjustment process may therefore appear to be an ‘insider’-oriented policy as, on average, 50 per cent of the savings from the staff cuts was redistributed to the remaining employees. Some categories (such as newly hired teachers, nurses or some employees in the Ministry of Finance administrations which underwent deep restructuring) even benefited from non-negligible increases in compensation. Increasing dualism in some sectors is another aspect of this ‘insider/outsider’ story, as illustrated by the consequences of staff reduction in the education system (see Case Study 2). On the one hand, civil servant teachers could benefit from an increase in their overtime hours (not subject to income tax thanks to a recently adopted law), but with a higher workload. On the other hand, the number of contractual teachers rose significantly, and in particular, the number of those on the most precarious employment contracts.

But many alleged ‘insiders’ did suffer from the adjustments. In many services, reductions in staff and budgets induced work intensification and a deterioration of working conditions. This is particularly the case in services where public employees are directly in contact with ‘consumers’ and
for which the demand has not decreased, or has even increased notably with the crisis, such as hospitals, police stations, public employment service agencies and so on.

Discontent and distrust among public employees have also been fuelled by the fact that social dialogue was often weak or even non-existent at all levels of the RGPP reform process, from (central) decision-making to implementation (see Case Study 1). This raises an important policy issue: as emphasized by many union leaders, as an employer, the public service acted worse in terms of social dialogue and accompanying measures than many (large) private companies. As we have seen in Case Study 1, there has been some social dialogue concerning wages – but with limited success, as the unions did not manage to avoid the freeze of across-the-board increases – and also concerning the limitation of increasing dualism, with the adoption of a new law in 2012 to facilitate access to civil servant status or open-ended contracts for temporary contractual employees. But the lack of social dialogue and, more generally, of discussions with stakeholders was almost total with regard to job cuts and restructuring.

At local levels, managers were particularly under stress (and we saw that, according to some polls, they therefore had developed a negative opinion of the reform process), as they were responsible for implementing the ‘doing better with less’ policy. But in many cases, they could not avoid doing less and/or worse in terms of public service delivery. As a consequence, some ‘retrenchment’ of public service was a de facto consequence of the adjustments implemented, even if it was not presented as an explicit objective of the reform process. But for some union leaders, this retrenchment was in fact the hidden agenda pursued by what could be labelled an implicit ‘beggar-your-own-services’ strategy. Overall, as privatizations were almost non-existent and as outsourcing remained apparently modest (but lamentably, there were no data available at the time this chapter was written), the adjustments in the public service induced a retrenchment ‘at the margin’, which may have hit particularly the most vulnerable users of public services, namely those who need the more public education, public health, job search assistance and so on. This may have long-term consequences in terms of human capital (if the education and health systems are affected, as seems to be the case), but also in terms of social cohesion.

NOTES

* I would like to thank Philippe Bezès, Vincent Lombard and Pascal Pavageau for providing me with helpful information and comments.
1. There were in fact two successive crises: the financial crisis in 2008–09, with a slow
recovery in 2010, and then the ‘sovereign debt crisis’ from the second quarter of 2011. The unemployment rate, which had jumped from 7.5 per cent at the beginning of 2008 to 10 per cent at the end of 2010, had slowly begun to decrease to 9.5 per cent in the second quarter of 2011, but started to increase again from then on, to reach 9.5 per cent at the end of 2012.

2. It is all the more important that, as we shall see, there are different kinds of contractual arrangements in the French public sector.

3. Note that teachers and academics alone, as employees of the Ministry of Education and the Ministry of Higher Education and Research, accounted for 35.6 per cent of all FPE employees in 2008 (about 858,000 employees).

4. Note that according to the OECD composite index, the delegation of the management of the public service in central governments is the lowest in France among OECD countries except Turkey (OECD 2008: 82).

5. Only very aggregated data are available; in 2008, the share of bonuses in total pay (including overtime hours) amounted to about, 15.5 per cent in FPE, 17.4 per cent in FPT and up to 23.4 per cent in FPH. Some data are also published concerning different occupations (at an aggregate level). The share of the bonus in the total wage amounted, for instance, to up to 65 per cent for top civil servants, 37 per cent for police officers, but only 10 per cent for teachers (mainly overtime hours in this case, which are included in the ‘bonus and premiums’ category).

6. This is mainly because since 2005, a law implementing the European directive on fixed-term contracts (European Directive 1999/70/CE, adopted 28 June 1999) requires that public administrations transform fixed-term contracts into open-ended contracts after an uninterrupted six years’ service (that is, a continuous succession of fixed-term contracts during the period).

7. To prevent the public service wage bill from increasing too rapidly, rather than curbing the number of staff, the choice was made to reform the wage-fixing mechanism by cancelling the automatic indexation of the index point of the (base) wage grid to inflation (see Subsection 3.1).


9. Including tax reductions on the highest incomes (by introducing a ‘tax shield’ – ‘bouclier fiscal’ – to limit direct taxes to 50 per cent of income); income tax and social contributions (for both employers and employees) exemptions for all overtime hours; and a reduction in VAT (from 19.6 to 5.5 per cent) for restaurants.

10. According to OECD estimates, at the end of 2010, the required improvement in the underlying primary balance as a percentage of potential GDP in order to reach the 60 per cent gross debt to GDP ratio in 2025, was as high in France as in Greece and Portugal, and higher than in Spain and Italy (OECD 2011a: 19).

11. In terms of index points, the minimum wage in the FP increased from index 233 in 1998 to index 295 in 2011 – see also below.

12. Note that a belief that they were losing purchasing power was widespread among public employees. According to a survey conducted in early 2011, 55 per cent of them declared that they had not benefited from any across-the-board increase in their wage during the past five years and moreover, up to 66 per cent thought that their purchasing power had decreased during the same period (only 9 per cent declared that it had increased).

13. In the FPE, for instance, the decile ratio of annual compensation D9/D1 decreased from 2.5 to less than 2.3 between 2000 and 2007, but compositional effects may also have played a part, as the share of employees in low-skilled occupations decreased.

14. Note the figures available at the time this chapter was written were published in December 2011 and the last year covered was 2009.

15. Note that these figures are contested by the government, whose figures (source:
DGAFP, the central directorate in charge of the public service) show no decrease in the number of staff, and even a slight increase.

16. The others being on statutory employment or on contractual employment but with open-ended contracts.

17. Using European Community Household Panel (ECHP) survey (Wave 2011), when controlling for workers’ individual and job characteristics, Meurs and Ponthieux (2009) found that the unexplained gender wage gap is (slightly) higher in the public sector than in the private one in France, whereas it tends to be the reverse in other European countries, such as Denmark, Germany, Italy, Spain and the United Kingdom.

18. As the authors put it, “In other words, if we had to interpret these patterns in terms of male to female wage differences, the evidence seems to suggest that females are relatively (much) better off being in the public sector – with respect to men – at the lowest deciles in Great Britain, whilst the opposite is true (i.e. they are relatively better off at the highest deciles) in France and Italy” (p. 57).

19. Civil servants are recruited in France by competitive recruitment procedures (concours de la Fonction Publique), with predetermined quotas for successful candidates (corresponding to the number of job vacancies to be filled). Candidates are selected and ranked by ad hoc committees.

20. On a representative sample of 803 public service employees (computer-assisted web interviewing).

21. Sample of 234 public service employees of Category A (computer-assisted web interviewing).

22. The ‘operational budget’ covers the expenditure required to maintain the functioning of the organization. It includes material and labour costs and the costs of providing the corresponding services.

23. Cour des Comptes (2011, p. 43). The Force Ouvrière union, in its publication dedicated to the consequences of the RGPP (FO 2011), presents several testimonies and anecdotes to illustrate the negative impact of such cuts. According to the director of the Police Nationale, because of cuts in investment budgets (almost 60 per cent), the life expectancy of each police vehicle should amount to 28 years. In a police station in Paris, employees were encouraged to look for furniture left in the street after garage sales (vides-greniers) to replace furniture in their office. In other police stations, employees were asked to bring their own toilet paper.

24. France’s metropolitan area is divided into 22 regions and about 90 départements.

25. Emmanuel Verny, interview in L’Humanité, Tuesday, 31 August 2011, p. 3.

26. In particular, many contractual employees should be able to obtain civil servant status by just passing a professional exam, instead of going through the very selective process of national competition (concours); for the employees on fixed-term contracts, the conditions in terms of employment record in the public service required to get an open-ended contract are eased.

27. For more details, see the round table organized with the unions at the National Assembly, presented in the report by the National Assembly on the RGPP, Cornut-Gentile and Eckert (2011: 110–13 and 279–304).

28. Emmanuel Pailluson, secretary-general of Solidaires Consurrence Consommation, Répression des fraudes.

29. According to one trade union leader we interviewed (Pascal Pavageau, FO), one explanatory factor is that those committees are at the ministerial level, whereas many key decisions were taken at a more centralized level (the CMPP council, and even more often, the Office of the President), the ministers themselves having no other choice than to implement measures they did not adopt themselves and, in some cases, did not even support.

30. The reform began with a process of auditing, with mixed committees (civil servants and employees of private consulting agencies). But the results of the auditing were never published. The CMPP Council published short reports (six between 2007 and the end of 2011), but the members of the National Assembly complained about the ‘insufficient
technical content and high degree of political marketing’ of these reports (Cornut-Gentile and Eckert 2011: 78–9).
32. According to the OECD (2011b), the starting wage of teachers with minimum training amounted to only to US$26,100 in 2008 in France, as compared to about US$28,100 in Italy, US$29,000 in Sweden, US$30,500 in the United Kingdom, US$36,000 in the Netherlands, US$40,700 in Spain and US$48,000 in Germany.
33. A contractual teacher on permanent contract (open-ended contract, ‘CDI’) may be fired if the number of pupils decreases. Moreover, his/her cumulated earnings throughout the whole career are about 30 per cent lower than the cumulated wage of a civil servant teacher. Note that employees on permanent contracts are a minority among contractual teachers, most of whom are on temporary (fixed-term) contracts (see also note 34).
34. According to the Conseil d’État, the highest administrative court, the use of vacataires in the public service is restricted to ‘one-off services’ and should remain exceptional. The use made by the education system is often illegal as some vacataires are employed for a whole year to provide a very small number of weekly hours. Note that the vacataires do not benefit from social security. However, many of them are also students and therefore benefit from social security.
35. In this case, too, the declining trend had already started as the school attendance rate was 34.5 per cent in 2000. One must remember that France has a near 100 per cent school attendance rate for three-year-old children.
36. According to some estimates, the hours of teaching provided before the reform by first-year (paid) teachers during their internship period, and since then provided by students during their unpaid internship, were the equivalent of more or less 18,000 full-time teachers.

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