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## **Reforming France**

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# REFORMING FRANCE

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Much-needed economic reforms could redefine what it means to be French

In a paper published in July 2015, the EU-ASEAN Business Council (EU-ABC) highlighted concerns over non-tariff barriers (NTB) in the ASEAN Economic Community (AEC). In a separate paper, the World Bank lists some 2500 NTBs that are currently in force despite the AEC's establishment at the end of 2015. Indeed, Singapore's ambassador-at-large, Bilahari Kausikan, wrote in the Straits Times that "non-tariff barriers and slow liberalisation of services remain serious obstacles to ASEAN's ambition of creating a single market and production base".

In a recent SMU Wee Kim Wee Centre *Conversation with Ambassadors* talk, the Ambassador of France to Singapore, H.E. **Benjamin Dubertret** was asked how the experience of the European Union (EU) could be applied to help the AEC tackle the issue of NTBs.

"We don't want to lecture people on what ASEAN should be doing in terms of better integration," says the ambassador, citing a historical tendency for a European superiority complex. "I believe that because the countries in this region are so different in size, culture, religion, and many other different ways, it's too heterogeneous a region to envisage anything as integrated as the European Union.

"But the little nitty-gritty details regarding non-tariff barriers, that's an area where there can be some degree of exchange with a variety of European countries that have gone through this process. It would be with an attitude of being at the disposal of people who would be interested to know more."

## **Being French**

That ties in with one of the four main objectives of French diplomacy, which the ambassador elaborates as:

- 1. Contributing to peace and stability;
- 2. Relaunch of the European project, making Europe a more dynamic area in terms of growth, integration and joint policies;
- 3. Providing a useful contribution to economic growth; and
- 4. The fight against climate change.

With regard to the second objective, the ambassador points out common misperceptions about European economics. Specifically, a perceived lack of action to tackle structural issues.

"People have this idea that growth is slow in Europe and that there is high unemployment; that is true," he concedes. But he adds, "Two things people don't realize as much: Many European

governments have made decisive economic reforms in the past three to five years. It's been true of Spain and Italy, while Germany has done a lot of that in the past. France has also undergone a lot of structural reform.

"One major reform that needs to be done is the labour market – that's the number one issue being addressed in France."

French workers are increasingly irked by President Francois Hollande's labour reforms, which would let companies lay off employees more easily and extend France's cherished 35-hour work week. Numerous street protests have forced the Socialist government into watering down the least palatable parts of the proposal, exposing only big companies to new legislation.

"Looking at the past 20 years, some of the trickier reforms that lacked popular support especially among the working class and so on were carried out more effectively by a left-wing government," observes the ambassador. "I suppose that was the assumption this time around, too.

"The fact that the latest labour market reform is taking place close to a year before the next presidential election does not help. However, the consensus among both the left and right wings is that we need more liberalisation in the labour market. Some would go further than others but generally that's the consensus."

## Le Pen: Mightier than Le common sense?

Ambassador Dubertret acknowledges that the perceived effect of the labour reforms was reduced job security, hardly popular in the best of times, never mind an economy with a 10.5 percent unemployment rate (much higher for those below 25 years of age). That, he says, is a main cause for the popularity of Marine Le Pen, the leader of the far-right *Front National* (FN) party.

"One of the reasons that Marine Le Pen is popular is simply the level of employment rate," the ambassador posits. "That, more than the religious or integration issues, explains Marine Le Pen's popularity."

FN had come close to winning control of a region for the first time ever in December's regional elections by running an anti-immigration campaign. While Le Pen exploited the situation in the town of Calais, where thousands of refugees have gathered in hope to crossing into the U.K., recent terror attacks and the wider issue of minority integration asks difficult questions of national identity.

"I don't think the issue is about immigration per se," the ambassador asserts. "The issue now is about the people who have come to Europe over the past years, and in some cases were born in France, who do not feel that French. These people have French nationality but their sense of belonging is not quite there. That's the tricky issue.

"I'm not saying I'm not worried about the migrant issue, I'm saying there's this group of people who are French, and we need to change the way they relate to the country and the nation. That's a fundamental problem."

He adds, "The terrorist attacks have, in a way and maybe paradoxically, restored that sense of belonging. It seems to me that communities that are not always integrated [have become more so]. Terrorism is completely different from the issue of proper integration. It seems to me that, paradoxically, the terrorism acts can bring us closer together, which will help.

"But it will be a matter of education of the younger ones – how do you instill and restore the sense of belonging from a young age? And there is the issue of economic opportunity, and that is where the whole topic connects with the economic agenda: How do you, through labour and other economic reforms, offer more opportunities and bring down the unemployment rate?"