2000

Recherches & Régulation Working Papers

ON THE ENDOGENOUS CAPACITY OF NATIONAL SYSTEMS OF SOCIAL PROTECTION TO ADDRESS THE GLOBALIZATION CHALLENGE : the French case

Bruno Théret et Jean-Claude Barbier

www.theorie-regulation.org

Association Recherche & Régulation
c/o LEPII-CNRS
Université Pierre Mendès France
1241, rue des Résidences
BP 47 - 38040 Grenoble Cedex 9

Paper presented at the «COST A15 Reforming Social Protection Systems in Europe: Comparing dynamics of transformation of social protection systems in context of globalization and European construction Second Conference Welfare Reforms for the 21st Century Oslo 5-6 April 2002

Introduction

Usually social protection schemes' reforms are conceived of as one-way processes of change leading to the three main universalistic alternative outcomes of targeting, privatization and workfare. Despite their belonging to different families or clusters of welfare states, they would be confronted to the same challenges and to a certain extent eventually converge toward similar liberal forms of social protection (Esping-Andersen, 1996). Path-dependency is then introduced to tackle the different degrees of resilience national systems of social protection (NSSP) oppose to such changes. National institutional inheritances either impede, or give different paces to the processes of reform. Nevertheless all NSSPs are more or less, at a slower or quicker pace, adjusting in the same way to the competitive requisites of the new global economic framework.

In the following we shall sustain that such a conception of NSSPs' changes is too simplistic, and does not provide the necessary tools to grasp and understand the real changes in most countries. As the French case perfectly shows, there is no general law of change. In each country, the pattern is more complicated, and one needs to pay more attention to three characteristics of the current situation:

- firstly, countries are not confronted to the *same*, but at best to *similar*, or even to *different* challenges;
- secondly, clustering is misleading when changes and institutional innovations are at stake;
- lastly, the timing of reforms is not only a question of a slower or quicker pace, but also of learning and possible changes in the direction and content of reforms.

Despite the current universalistic liberal discourse and its pervasiveness even in critical social scientists' circles, all countries are not confronted to the same challenges as the three following examples show.

1/Demographic challenges and the for adopting funded pension schemes instead of pay-as-you-go schemes. It is striking that, despite the large differences between countries concerning their demographic structures, demography is everywhere considered as immediately critical for the balance of current pension systems. Little attention also is paid to differences between those countries which already have funding schemes and those that don't, despite the evidence that the challenge of implementing new funded schemes is not the same in both cases. Moreover factors relative to national traditions concerning immigration or to the size of countries' populations are not taken into account. Similarly the levels of savings that structurally differentiate countries are overlooked.

2/Healthcare costs challenges and the necessity to privatize the supply of medical services. Can we really assume that countries with universal national healthcare systems as the British one are confronted to the same challenges as national systems based on liberal medicine as the French one? Isn't it rather the opposite, liberal systems being confronted to the necessity to introduce planning in order to contain costs?. Moreover, what about the striking differences of (similar) medicines'prices in different countries?

3/Employment policies and "welfare-to-work". Do small countries highly and structurally dependent from foreign markets have the same employment problem as larger countries with larger internal markets? With an hegemonic currency allowing them to accumulate a huge external and internal debt, are the USA confronted to the same challenge as European or underdeveloped countries without such monetary power? Does the 'workfare' way of addressing structural unemployment make the same sense in countries where work has always been considered as a positive value and status enhancing, which implies quality jobs and a pay which insures against poverty, as in countries where working is considered primarily as the price to pay for the "original sin"?

For some scholars, clustering should be the way out of such deficits in the universal view of welfare states' changes. But it is not the case, since clustering dramatically reduces each country's institutional framework complexity which underpins the real changes (Théret, 1996, 1997 and 2000). Some examples. From a cluster approach how understand that Germany has adopted a new social insurance for old-age dependency whereas France has choosen an assistance scheme, although both countries are members of the same Bismarckian family? And how explain that belated Latin-rim continental welfare states recently adopted national universal healthcare systems of the Beveridgean type instead of Bismarkian liberal ones? In fact clustering is more an obstacle than a help to understand changes in NSSPs because it does not heed "hybridisation". It thus introduces path dependency in an unilateral way. Stating that there is only one path of change inscribed in the very institutional structure of a country by its family belonging, cluster analysis cannot catch the fact that several paths are opened to countries like France that have hybridised - or not fully coherent - systems of social protection. Therefore institutions are viewed only as obstacles to change inherited from the past, not as political resources for institutional innovation.

Coming now to the pace of reform processes, the French case shows that the direction of change is not linear and unidirectional. Rather change is the result of a trial and error political learning process which directs it towards idiosyncratic innovative institutional formulas combining the new and the old. Moreover one has to consider the dependency of NSSPs' financial reform on the changing macroeconomic contexts and macro-economic policies which a priori are not uniform in time and across countries. The French case shows that different stages of reform fit in with successive business cycles, which also have different profiles, due to changing macroeconomic policies. At each stage, the content of the reforms implemented can change. Resilience at one stage can be followed by a reversal of the policy at the next. Social actors' representations may change by learning, and internal politics matters even if it is only to adjust the national institutions to built-in external challenges.

In the following, we shall draw lessons from the French SSP(FSSP)' s evolution since the mid- seventies to argue in favour of the preceding theses. First we shall stress differences between German and French "Bismarckian" systems of social protection in order to show that beyond its similarities with the former, the latter has also beveridgean features and therefore an hybrid character. Secondly we shall describe the FSSP's evolution through a periodisation in three stages of the reform's processes, each stage fitting with a business cycle and a specific economic policy. Finally we shall suggest that the last stage, still on-going, is the only one where international challenges to the FSSP, mainly the Europeanisation one, are to be considered as bearing direct effects even though still in a prospective way.

I. The hybrid character of the French system of social protection.

In welfare comparative research the French "Welfare State" has traditionally been grouped with the German one in the "industrial achievement performance" cluster (Titmuss, 1974). More recently, France has been categorised as a "conservative" (or "corporatist-statist") welfare regime (Esping-Andersen, 1990), i.e. as one of the "continental" models of social protection (Flora, 1986, Esping-Andersen, 1996). However it is possible to argue that these studies are methodologically and empirically flawed in the case of France.

Methodogically, cluster analysis is too static to make room for differences between members of a same cluster, although these may be crucial for their respective dynamics of change. Indeed comparative analysis of NSSPs does not necessarily call for clustering as soon as it provides a limited series of ideal-types forming a stable system of reference within which every national case can be described and evaluated by its coordinates, that is distances to ideal-types[1]. Otherwise, using clusters inevitably implies listing "hybrid" countries under one of these ideal-types. Important features of the hybrid cases are thus underestimated or even ignored however determining they might be. "Hybrid" welfare states rather than strictly matching one of the three ideal-types (i.e., Germany, Sweden and the USA) combine characters of them, and static clustering methodologies tend to be inadequate when change is considered (Martin, 1998). Dynamic trajectories indeed involve new combinations of these characters.

Empirically, recent research has been available to compare the French Social Protection System (FSPS) with other regimes[2]. Studies point to some important features, notably its family policies, which contrast it with the German type. In this area, the French system rather resembles the "Nordic", social-democratic Beveridgean regime (Bradshaw and alii, 1994; Schultheis, 1996; Théret, 1996 et 1997; Merrien, 1997; Martin, 1998). It is also a difference that Esping Andersen (1996), with his "de-familialization" notion, fails to grasp and interpret in the case of France. Indeed the French system has adequately been described as *a Bismarckian system* with *Beveridgean objectives* (Bonoli et Palier, 1995; Palier, 1998, 1999).

---

[1] For developments of this argument, see Théret, 1996 and 1997.
[2] Thanks to MIRE 1995, 1996, 1998, 2000 and Palier, 1999.

The FSPS exhibits four Bismarckian features: (1) It is extensively based *on social insurance principles* and funded through employers' and employees' social contributions; earnings related benefits are not focused at alleviating poverty for a non-working population. (2) It used to be functional to the *male-breadwinner family*, where coverage extends to the employee's wife and children. (3) It is *fragmented* i.e. made of a multiplicity of "*régimes*"[3]. (4) It is relatively independent from the State and jointly managed by social partners (trade unions and employers' associations) under the *paritarisme*[4] model. However this Bismarckian orientation has been tailored to achieve the three so-called Beveridgean "U objectives" (i.e. universality, unity and uniformity) (Kerschen, 1996). These have underpinned the historical development of the system since its 1945 foundation.

Rather than through applying one single scheme to the entire population, *universality* has been pursued through the continuous creation of new schemes and benefits to cover uninsured risks (such as the unemployment insurance in 1958), or to cover new categories of the population. Through this gradual process, a *wage earner status* gradually emerged as a pivotal reference[5].

As for unity, it has been achieved under the symbolic "*Sécurité sociale*"[6] flag instead of a centralised single state bureaucracy. The multiple schemes (*régimes*) were made financially coherent (via "*compensation démographique*" mechanisms linking them[7]) into an overall system under central government's *tutelle* (supervision). They adopted an "isomorphic" administration pattern (*paritarisme*) as well. On top of this, all particular *régimes* have kept participating in national solidarity (Barbier and Théret, 1998 et 2000).

Finally, contrary to Beveridgean flat-rate contributions and benefits, *uniformity* was nevertheless present in the French system via the existence of "ceilings" applied for calculating contributions[8].

---

3 A *régime* (a particular sector/scheme within the overall insurance system with specific eligibility rules and benefits) covers employees in a particular trade or industry (for instance, railway employees) or a category of employees (for instance, managers, etc.).

4 *Paritarisme* here stands for an equal representation (parity) of employers' associations and labour unions on the Funds' boards (*caisses*).

5 This interpretation of universality presumes a full employment society where wage earners enjoy citizenship and a status based on permanent/stable job tenure with social rights attached.

6 When "social security" is used in the text, it refers to *Sécurité sociale* in the French sense, which is different from the US and UK meaning and closer to the German.

7 Structures of contributors and recipients vary considerably across the "*régimes*": "*Compensation démographique*" refers to the special transfer mechanisms between *régimes* that compensate for these structural imbalances (Abramovici and Rodolphe 1999). These special transfers thus play a key role in the global coherence of the overall system.

8 From the eighties on, for financial reasons, ceilings for contributions have gradually disappeared (except in limited areas, for instance for pensions - *régimes complémentaires*).

However the coherence of the French system should not be overestimated (Hesse, 1999). Particularly when compared with the German ideal-type, the French welfare state appears very discordant because many other French institutions are at odds with the Bismarckian model. *Paritarisme* is deprived of a functional equivalent for the German industrial relations system (Tixier, 1998). French trade unions are divided and very weak; contrary to their German counterparts, they have no substantial say in companies' decisions (except for consultation procedures). French labour law, as part of a "social public order" is rooted into universal political rights rather than into a wage earner status, as in the German model (Mückenberger and Supiot, 1999). Social rights thus appear more to compensate for a deficit than to complement labour's economic and political rights. Because of the division within the trade union movement and the powers of state social bureaucracy, *paritarisme* between business and labour has often been more conventional than substantial (Catrice-Lorey, 1997)[9].

Secondly, the French educational system (seldom considered as part of the social protection system) is built on "liberal republican" - akin to Beveridgean, solidaristic and/or egalitarian principles (Renard, 1995; Kott, 1996; Bec, 1999). Its limited vocational training capacity shows a stark contrast with the German system (Maurice, Sellier, Sylvestre, 1982; Möbus and Verdier, 1987; Verdier, 2000).

Consequently, increasing influence of Beveridgean principles within the dominantly Bismarckian FSSP has resulted in growing internal tension. This is particularly clear with family policies. Historically, family allowances were administered directly by employers, which explains their subsequent inclusion within social insurance funds. However, as is well documented, the French State has traditionally been involved in natalistic family policies. Hence, from the first stages of the FSSP, Bismarckian principles for financing family benefits have been used in a natalistic and universalistic perspective (Messu, 1999). Eventually, the transformation of family patterns eroded the legitimacy of social insurance principles to finance flat rate universal allowances.

In the post-war context, Bismarckian forms of organisation were supported by reformist trade unions and employers' associations whereas the "three Us" objectives, more in line with French republican tradition were supported by political parties (Bonoli and Palier, 1995). Because full employment allowed for the overall extension of the wage earner reference, compromises were possible. These proved both economically functional and

[9] An exception is the complementary pension schemes for managers and executives (*cadres*) (Reynaud, 1996). Another one may be found within the public firms (Duclos et Meriau, 1997) where it constitutes a sort of French neo-corporatism.

socially efficient: social insurance and assistance principles were complementarily embedded into the basic scheme (*régime général)* (Renard, 1995; Bec, 1999).

However, the system subsequently became less efficient. It was first confronted with internal challenges (structural unemployment and "social exclusion"; the male breadwinner family's crisis; ageing and inadequate containment of health costs). It also faced external challenges (internationalisation of the economy). Compromises between actors within the hybridised Beveridgean/Bismarckian mould have thus been de-stabilised and new compromises are presently needed. Nevertheless, the French welfare state's hybrid structure should not be equated with an entrenched incapacity for change. On the contrary, a hybrid structure might well constitute a comparative advantage in confronting new challenges. Using its internal resources for innovation the FSSP could then eschew the polar choice between conservation (continuity) or revolution (radical change).

Indeed *hybridisation* between Bismarckian and Beveridgean rationales has been a key factor of the changing FSSP for the last twenty years. This process is consistent with the possibility of *multiple paths of historical dependence*. Whereas Bismarckian features (namely, social insurance, "weak stateness", fragmentation) constantly prevailed throughout the system's building stages, Beveridgean features were also at work. Testimony of this is for instance the gradually universalised access to healthcare and family benefits on the mere basis of residency. As internal and external challenges emerged, these Beveridgean features somehow acted as resources allowing for new potential compromises. Analysing the French system's coherence and its embeddedness in French society vindicates the assumption that "dominated" Beveridgean features provide internal resources for transformation.

A good example of this is given by the "*Contribution sociale généralisée*" (CSG), an important innovation in financing principles introduced in 1991, and which has gradually and increasingly substituted pay roll contributions. CSG, being neither a tax nor a social contribution proper, combines features of both and its taxing base extends to all incomes. This innovation was devised to placate political controversy in the 80's and 90's relating to what was considered as excessive reliance on social contributions. Critics argued in favour of enlarging social security's tax base and embarking on a more Beveridgean type of funding. Social contributions allegedly endangered international competitiveness because they impacted indirect labour costs. But international comparison of unitary labour costs showed that the latter were not significantly higher in France. Social contributions, it was further argued, especially impacted low wages and unskilled labour in industries competing with low wages countries. Incentives to substitute capital for labour were assumed to be responsible for high unemployment and long term unemployment, as well as for poverty extension and an in-built social security deficit. Testimony of the underlying Beveridgean features at work in the FSSP, critics exposed the inadequacy of social insurance principles to fund national "solidarity" and risks as family and healthcare. National solidarity, it was contended, ought not to not be linked to pay roll contributions but to citizenship's rights.

CSG was initially fixed at 1.1% of all incomes and allocated to the family benefits fund, CNAF (*Caisse Nationale des Allocations familiales)* (it substituted for employers' contributions reintegrated in gross wages). CSG rates subsequently regularly increased, first to 2.4% in 1993 (1.3 points going to a *Fonds de Solidarité Vieillesse* – FSV - for non-contributive pensions). In 1997 the CSG taxing base was enlarged and its rate fixed at 3.4%. Additional resources went to the health care fund, CNAM (*Caisse Nationale d'Assurance Maladie)*, compensating for a drop by 1.3 point on employees' contributions. In 1998 the CSG rate more than doubled at 7.5% on wages and capital incomes, and at 6.4% on benefits. Additional resources again went to healthcare funds and balanced further drops in social contributions. Overall CSG now accounts for over 78% of all taxes affected to social security expenditure.

Analytically, CSG should be regarded as a typical hybrid resource combining both social contribution and tax. Inasmuch as it is generalised to all incomes (wages, benefits and capital earnings), it undoubtedly bears the characteristics of a proportional tax, given that it is universal and was initially not deductible from taxable income[10]. However many of its characteristics make it distinct. CSG is strictly earmarked to finance benefits and it cannot be used for other destinations. Moreover CSG is collected along with social contributions by URSSAF and is not part of the state budget. CSG thus emerges as an endogenous institutional innovation that alters the previous internal balance between Bismarckian and Beveridgean principles in favour of national instead of "professional" solidarity.

---

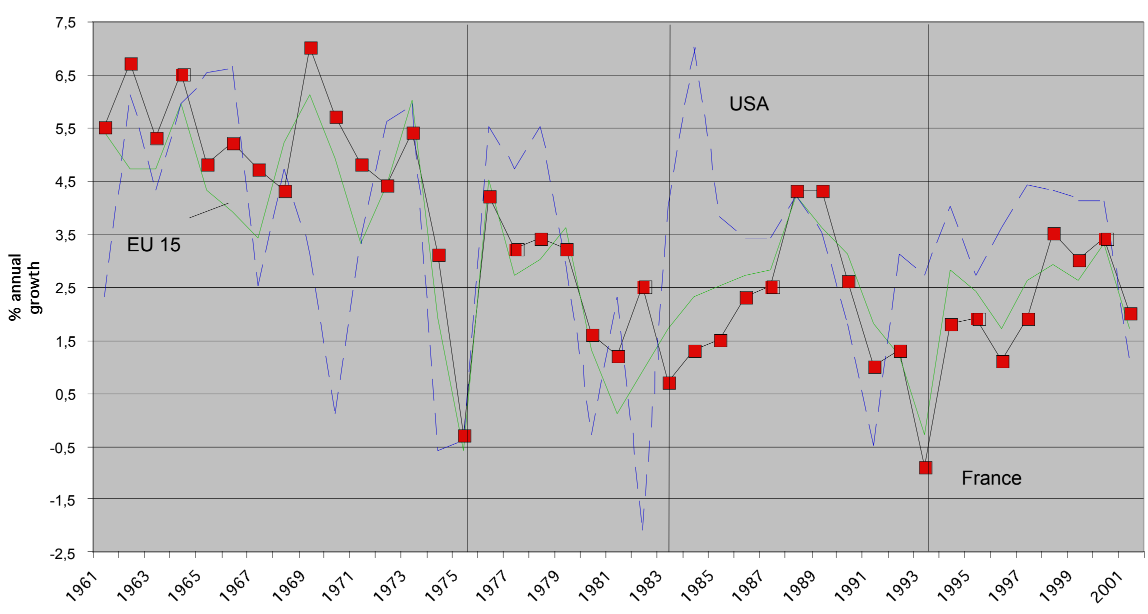
[10] It is now mainly deductible. Under the CSG label coexist three distinct taxes (on wages and welfare benefits; on property earnings; on capital earnings). In 1995, 75.5 % of CSG came from wages taxation, 17,5 % from benefits and only 7 % from capital income (*Le Figaro* du 14/11/95), a structure that does not correspond to these incomes' shares in the GDP.

II. The timing of the reforms' processes

The resurgence of business cycles.

From a macro-economic point of view a striking feature of the post-1975 period is the reemergence of business cycles which had disappeared in continental Europe during the Fordist era. As figure 1 shows, the period 1975 - 2000 displays nearly three economic cycles, each of them having its own profile, thanks to a specific underlying economic policy.

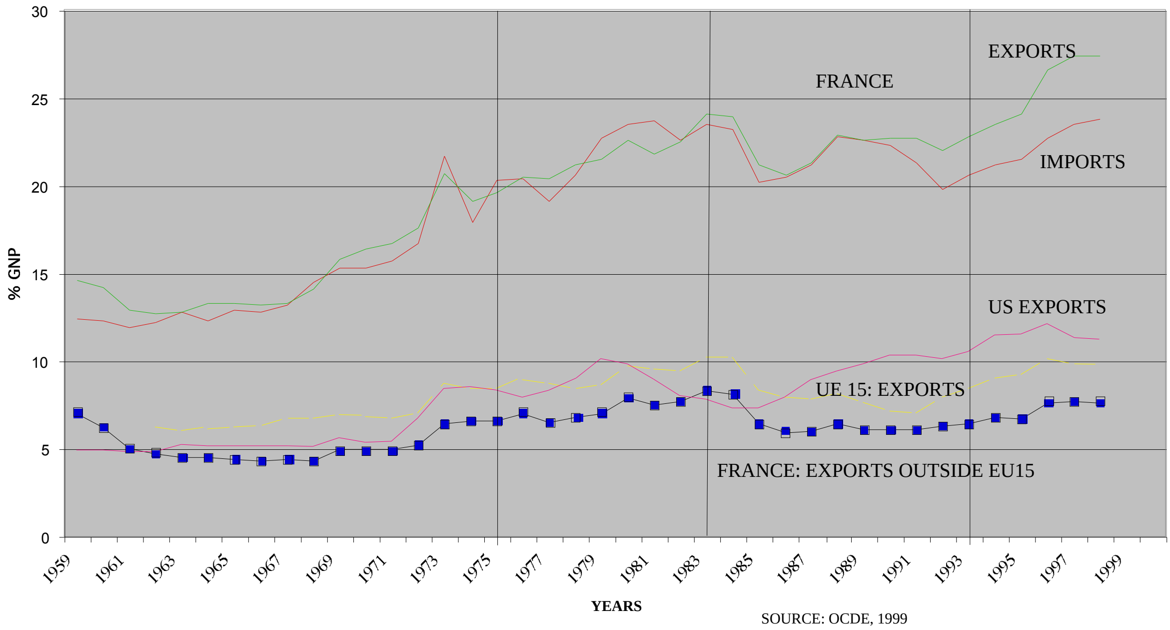
Figure 1: REAL GNP GROWTH RATE



Sources : till 1984, OCDE, 1999; since 1985, OCDE 2001.

(1) *From 1975 to 1983*, a first cycle encompassed both a fast recovery (as in the US) with sustained growth around 3.5% (1976-1979) and a gradual contraction resulting into a new recession in 1983. Fordist-Keynesian fiscal and monetary policies were maintained during this cycle, although they proved unsuccessful. They did not fit in with an economy whose internationalisation was still increasing quickly (figure 2). Growth was more export-led and

Figure 2: DEGREES OF ECONOMIC OPENING



SOURCE: OCDE, 1999

wages emerged less as a factor of internal demand than as a cost to be reduced. Hence the doubling of the unemployment rate from 4% in 1975 to 8.1% in 1983 (figure 3), accompanied by persisting high inflation (a mean rate of 10.6% for 1976-1983) (figure 4). Along with high inflation, came financing difficulties either through the state budget or pay-roll contributions. *Stagflationist* tensions revealed the contradiction existing between Keynesian policies and internationalisation. In 1983, President Mitterrand eventually opted for the "*franc fort*" (hard currency Franc) strategy and restrictive fiscal policies.

(2) The French socialists' abrupt conversion to monetarism in 1983 and the subsequent change in economic policy explain *the second cycle's new profile.* "*Désinflation compétitive*" (competitive dis-inflation[11]) and a hard currency tightly connected to the Deutsche Mark, as well as a restrictive fiscal policy resulted in: (i) the economic recovery being impaired, in stark contrast with the fast 1975-76 recovery (and this time the US situation). The upward trend of unemployment was thus not reduced (this rate however decreased from 10.4% in 1987 to 8.9% in 1990). Unemployment remained higher than in the contraction phase of the previous business cycle; (ii) a steep continuous fall in GDP growth rates (from 4.3% to –1.3%) from 1989 to 1993. At that time France experienced its worst recession ever since World War II and its unemployment rate peaked at 11.7% (a 44% increase if compared to the

[11] "*Désinflation compétitive*" refers to economic policies implemented in the period, mixing restrictive fiscal policies, trade liberalisation, strict monetary policy and the disindexation of wages.

1983 recession). Simultaneously the inflation rate dropped from 9.7% in 1983 to 2.5% in 1993. In spite of the currency's overvaluation and thanks to dis-inflation, the French economy was close to maintaining the high degree of international opening-up set in the previous period. Allowing for persistent high unemployment and interest rates' growth (figure 5), the monetarist economic policy forbade any rise in resources, whilst social needs kept increasing, because of long term unemployment and poverty.

Hence, successive retrenchment plans were implemented that lowered social protection coverage and contributed to the emergence of "social exclusion". In this period, welfare reforms responded to strict financial considerations. Major institutional changes may also be ascribed to European Union developments, i.e. the single market and monetary union preparations. Indeed neo-liberal policies of deflation, deregulation and privatisation were directly dependent on the EMU political agenda (Jobert and Théret, 1994).

(3) *The third cycle is currently on the way to be completed*. Very low inflation has settled, as well as a rather steady and relatively low GDP growth (around 2.5%). Economic recovery was export-led[12] and a positive trade balance helped interest rates decrease[13]. Thus

[12] Converging observations can be made with respect to the internationalisation of the French economy. Growth in the 1975-83 period was supported by a rapid and wide expansion of trade relatively to GDP. This was true either within the European community or with third countries (figure 2). This reorientation of the French productive system towards external markets was greatly eased by a continuously weak franc against the US dollar, the British pound and the German mark (INSEE 1999). During the following cycle, imports' and exports' shares steadily remained at around 22% of GDP, which was consistent with a quasi-fixed exchange rate of the franc vis-à-vis the mark and its rise against the dollar and the pound. From 1994 to 1999 more favourable conditions prevailed and the exports' ratio nearly grew by 5 points, peaking at 27.4% whereas the import ratio only gained 3 points to 23.8%. The franc's exchange rates against the dollar and the pound have been favourably dropping again.

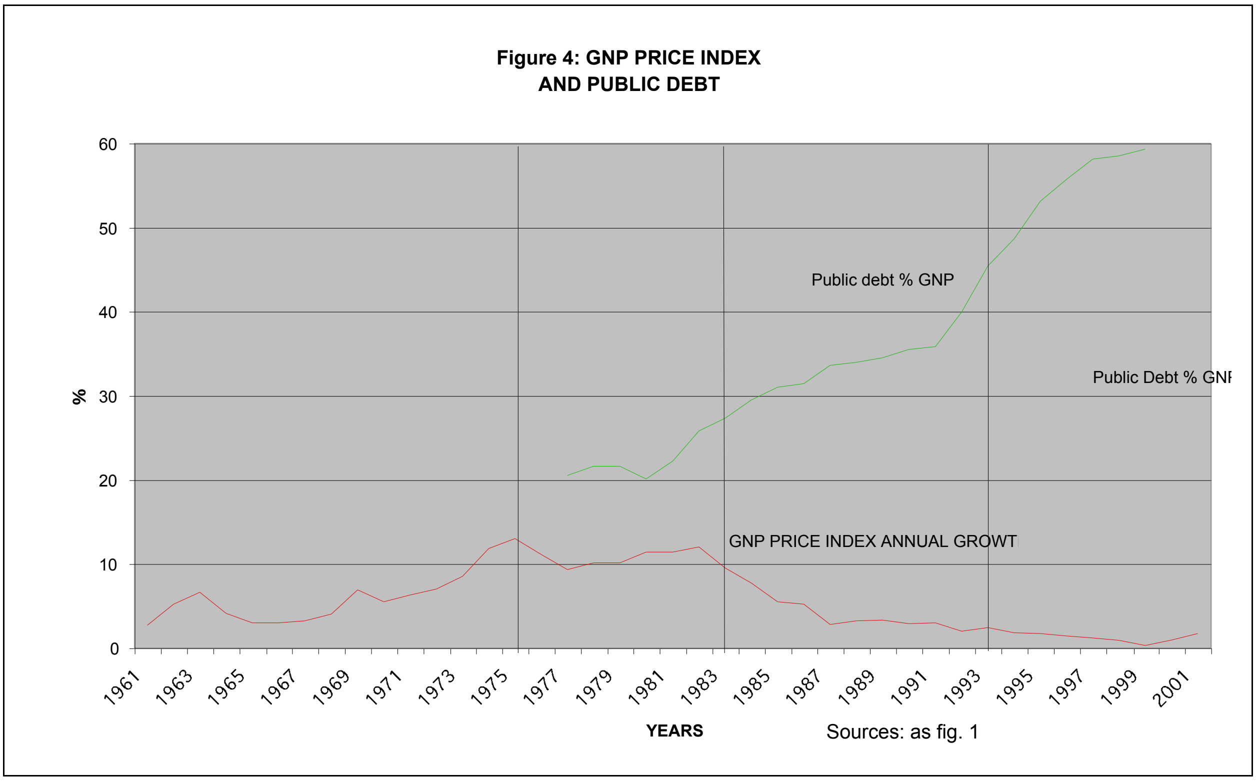
[13] In the first period real *interest rates* climbed steeply albeit gradually from negative values in 1975 (minus 4.8% and minus 2.4 % respectively for short and long term rates) to 2.6% and 3.6% in 1983. Rates kept growing during the second cycle, the short-term rate culminating at 8.13% the year before the 1993 major recession. On the contrary interest rates have declined in the third cycle, returning to their 1983 levels in 1998. *Public debt* followed a similar pattern albeit with some lag. Contained till 1981 in a period of inflationist monetary financing, it grew moderately from 1982 to 1991, sharp increases of real interest rates being compensated for

real interest rates have fallen and eased fiscal deficits and public debt constraints. Unemployment has started to drop, despite strong hysteresis effects, despite being back to growth in 2001. In fact *1994 initiates a new period* marked by the completion of the European single market, with economic policies abiding by the Maastricht criteria and the first steps of the euro. The Juppé plan (see further) seems to have contributed to a return of the political debate on welfare reform, involving collective actors and civil society. Nevertheless a mooted point remains whether Economic and Monetary Union (EMU) will be able to open up new perspectives for co-ordinated economic policies at the Union's level (Boyer, 1999). These could be more employment-friendly and the contribution of social protection to economic growth could be emancipated from strict financial constraints.

Trade integration within the European single market has played a prominent role in these developments. For instance, when the export ratio was around 24% of GDP, the ratio of trade with third countries was only 7%. This means that the current period is quite new when compared to both previous cycles: within EMU France enjoys much more favourable conditions for managing active labour market and fiscal policies as well as engaging in less restrictive monetary policies at the European level.

Therefore it will depend on which of the two following opposite and currently competing agendas will be choosen: (i) a strict market-driven orientation aiming at convergence towards residual social protection in a Europe only conceived of as a free-trade zone; (ii) the promotion of the EU as a new political and cultural entity with a specific social model - a mix of Bismarckian, and social-democratic Beveridgean traditions (Théret 2001 and 2002). The extent to which the European level of government will influence the future architecture of national systems obviously will be the outcome of national options towards either the residualist minimalist or social-democratic maximalist (both Beveridgean) regimes.

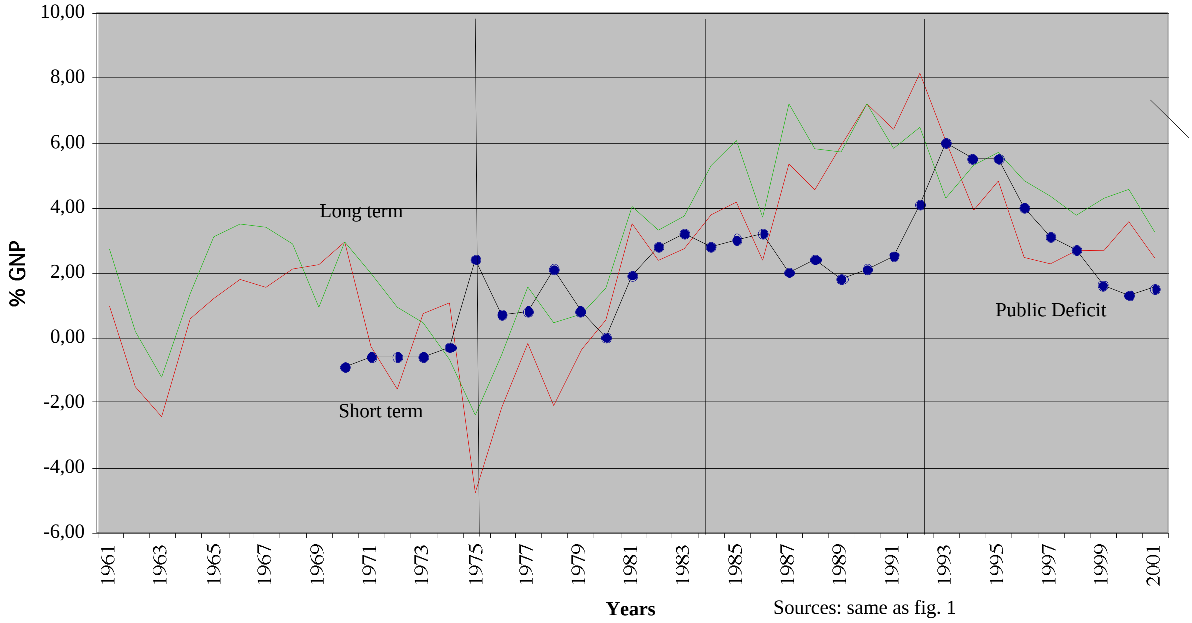
through strict fiscal policy. Subsequently, public debt experienced strong growth from 1992 on because of the 1993 recession's impact on social expenditure and public deficits, given the high rates inherited from the previous period. Thanks to the Maastricht Treaty, economic recovery and declining interest rates, stabilisation now seems to be on the agenda.



The phasing of the social benefits evolution

As already suggested, this timing of macro-economic variables and underlying macro-economic policies is mirrored in the evolution of social benefits as a part of GDP (figure 6). The *first period* (1974 to 1983) saw a sharp increase of the social expenditure ratio to GDP. Sustained social expenditure growth during this period reflected both resilience and further expansion of the Fordist-Keynesian welfare state. A significant increase in unemploymentinsurance benefits took place in 1974, as well as an increase of family benefits in 1981 and legal retirement age fell from 65 years to 60 in 1982. Increasing social needs, growing unemployment and high inflation were addressed according to the previously established FSSP rules, and social benefits kept growing at a high nominal rate – i.e. 16% (INSEE, 1999).

Figure 5: Real Interest Rates and Public Deficit



The nominal growth rate of social expenditure decreased during *the second period* (1984 to 1993) and stabilised at 6% (INSEE 1999). Successive measures were implemented to contain and reduce expenditure. Whereas the overall structure of the system remained unchanged, Beveridgean innovations surfaced during the late 80s[14]. The social expenditure ratio to GDP in this period appears to fit with the growth cycle (first a decline and then a sharp climb until the 1993 recession).

---

[14] The CCSS "*Commission des comptes de la Sécurité sociale*" (a supervisory body) was created in 1979. Cost containment thus entered the political agenda (Serré, 1999, p. 55). Subsequently reformed the Commission only embarked on an effective role from 1987 (Serré, 1999, p. 57). RMI was created in 1989 and CSG in 1991 (see further).

Table 1: Social Transfers and Services							1995	New	base			
%GDP	**1981**	**1983**	**1986**	**1989**	**1992**	**1993**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**
Total Healthcare	**8,8**	**9,1**	**9,3**	**9,1**	**9,6**	**10**	**9,8**	**10**	**9,8**	**9,7**	**9,7**	**9,7**
Sickness	6,5	6,7	7	6,9	7,4	7,7	7.8	7.9	7.6	7.7	7,8	7,8
Disability	1,5	1,7	1,7	1,6	1,6	1,7	1.5	1.6	1.5	1.5	1,4	1,4
Industrial Accidents	0,8	0,7	0,6	0,6	0,6	0,6	0.5	0.5	0.5	0.5	0,5	0,5
Old Age Pensions	**10,5**	**10,9**	**11,2**	**11,1**	**11,8**	**12,3**	**12,6**	**12,8**	**12,8**	**12,7**	**12,7**	**12,6**
Family	3,1	3,2	2,9	2,7	2,6	2,8	3	3	3,1	3	3,0	2,9
Housing	0,5	0,7	0,7	0,7	0,8	0,9	0,9	0,9	1	1	0,9	0,9
Family – Housing	**3,6**	**3,9**	**3,6**	**3,4**	**3,4**	**3,7**	**3,9**	**3,9**	**4,1**	**4**	**3,9**	**3,8**
Unemployment - Early retirement	**2,1**	**2,6**	**2,7**	**2,3**	**2,5**	**2,7**	**2,6**	**2,6**	**2,5**	**2,4**	**2,2**	**2,0**
Poverty – “Social exclusion”	**0,2**	**0,2**	**0,2**	**0,3**	**0,4**	**0,4**	**0,4**	**0,4**	**0,4**	**0,4**	**0,4**	**0,4**
Total	**25,2**	**26,7**	**27**	**26,2**	**27,7**	**29,1**	**29,0**	**29,4**	**29,3**	**28,9**	**28,8**	**28,5**
% TOTAL	**1981**	**1983**	**1986**	**1989**	**1992**	**1993**	**1995**	**1996**	**1997**	**1998**	**1999**	**2000**
Total health care	**34.9**	**34.1**	**34.4**	**34.7**	**34.7**	**34.4**	**33.6**	**33.6**	**33.2**	**33.4**	**33,6**	**34,0**
Sickness	25,8	25,1	25,9	26,3	26,7	26,5	26.8	26.6	26.4	26.6	27,1	27,5
Disability	6,0	6,4	6,3	6,1	5,8	5,8	5.1	5.2	5.2	5.2	4,9	4,9
Industrial Accidents	3,2	2,6	2,2	2,3	2,2	2,1	1.8	1.7	1.7	1.6	1,6	1,6
Old Age Pensions	**41,7**	**40,8**	**41,5**	**42,4**	**42,6**	**42,3**	**43**	**43,1**	**43,2**	**43,5**	**44,1**	**44,2**
Family	12,3	12	10,7	10,3	9,4	9,6	10,2	10,1	10,5	10,3	10,4	10,2
Housing	2,0	2,6	2,6	2,7	2,9	3,1	3,1	3,0	3,4	3,4	3,1	3,1
Family – Housing	**14,3**	**14,6**	**13,3**	**13**	**12,3**	**12,7**	**13,3**	**13,1**	**13,9**	**13,7**	**13,3**	**13,3**
Employment/Early retirement	**8,3**	**9,7**	**10**	**8,8**	**9,0**	**9,3**	**8,9**	**8,8**	**8,5**	**8,2**	**7,5**	**7,1**
Poverty – “Social exclusion”	**0,8**	**0,8**	**0,7**	**1,2**	**1,4**	**1,4**	**1,4**	**1,4**	**1,4**	**1,4**	**1,5**	**1,4**

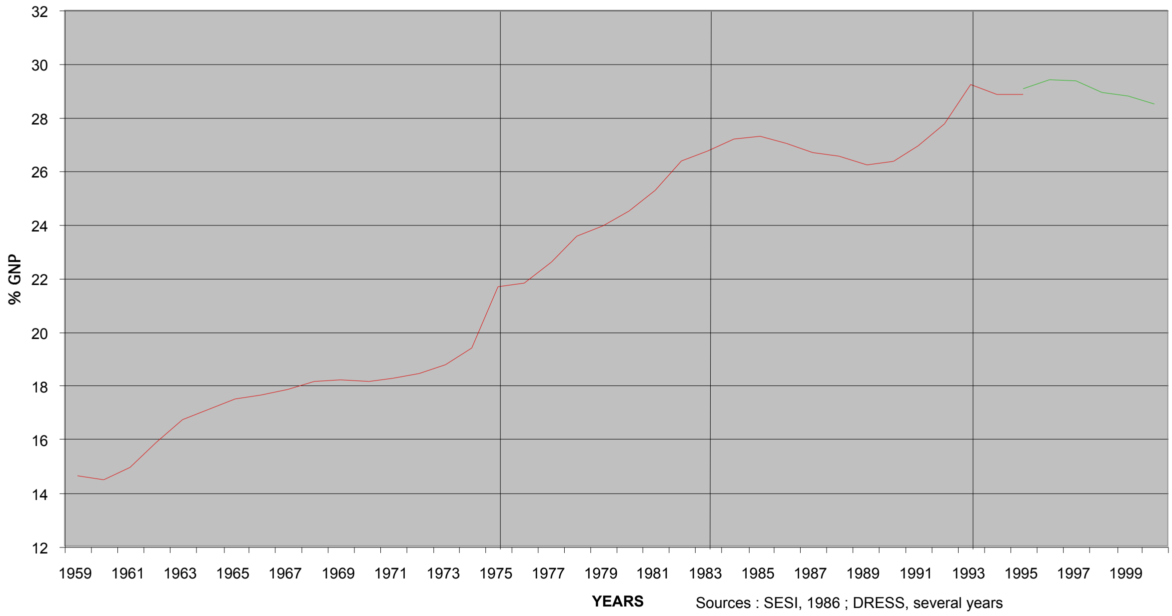
Source : SESI, 1986; DREES (different years)

1993 also initiates *a third period* for social spending which has stabilised and even relatively declined (in % of GDP). Structural reforms have been on the agenda for some time, but with the EMU being institutionally completed, they are now really at stake. The main issues are in the fields of *pensions* (12.7% of GDP and 43.5 % of social transfers and services in 1998) and *healthcare*[15] (respectively 9.7 % and 33.2 %) which both account for the bulk of French social expenditure. The other areas - *family and housing benefits* (4% of GDP and 13.7 % of transfers), *unemployment and early retirement* (2.4 % and 8.2%) and *poverty and “social exclusion*” (respectively 0.4 % and 1.4 %) - have already been effectively contained since 1983, despite, thanks to their small share in the total social spending, the doubling of resources allocated to poverty and social *exclusion* (table 1).

---

15 Including sickness and income compensation, disability and industrial accident benefits. If pensions and healthcare are the main sectors of social protection in all EU countries, in some - namely Finland, Ireland and the Netherlands - healthcare is on top of the list. Portugal, the United Kingdom and Sweden spend almost as much for healthcare as for pensions (Caussat et Hel-Thelier, 1998, p. 76).

Figure 6: SOCIAL BENEFITS as a % of GDP



Sources : SESI, 1986 ; DRESS, several years

From a general point of view, whilst significant in terms of their contribution to the social protection crisis, these three "risk areas" that experienced evolutions linked to labour market imbalances, appear more qualitative than financially constraining. All in all, two distinct sectors in the FSSP thus tend to emerge. The first one (pensions and healthcare) is confronted with pressure from financial interests (insurance companies, banks, international financial organisations, state financial élites) and globalisation strategies. The second sector (unemployment, family and anti-poverty programmes) is confronted to trade liberalisation strategies of world companies and neo-mercantilist governmental élites. In the following we shall focus on the first sector because uncertainties in the direction of change are there the clearest, and it gives a good example on the non linearity of institutional change.

III. Timing and learning processes of institutional change in healthcare and pensions sectors.

Pressures for more privatisation and/or individualisation of rights have been at work in healthcare and pensions but shifts in both policy areas have been limited so far. Opposite tendencies towards universalism and increased statism are clearly observable in health, whilst resistance to pension individualisation (via funding schemes) is strong. Through a process of learning, State and non-state social actors are looking for a new balance between "interprofessional" (across régimes) solidarity (the Bismarckian tradition) and "national solidarity" (via a Beveridgean adjustment to financial interests' pressure).

The health system: from a limited de facto privatisation to universal coverage; from demand to supply management.

The French health system encompasses nineteen health insurance funds[16]. Services are delivered either by public or private hospitals (including private services within public hospitals), and by private providers for ambulatory care (medical and paramedical professions). The system therefore relies on contradictory principles. On one hand private liberal medical practice prevails: patients choose their practitioners freely in the private or public sectors and pay them on a fee-for-service basis. On the other hand health costs (care and medicines) are reimbursed to patients as contributors to a fund. Fees for cares as well as for prescriptions are flat fees approved after agreements negotiated between funds and professional associations.

Apart from public hospitals, government is thus unable to directly control the supply and it is inclined to exert indirect pressure on the demand side (via increasing social contributions and/or patient charges). Leaving aside objective factors (like for instance population ageing or AIDS) an "inflationist coalition" prevailed on the supply side until the early 90s. Co-administrators of CNAM, trade unions and employers' associations accepted fast expenditure growth (Damamme and Jobert, 2000), under the influence of a powerful pharmaceutical industry and the physicians' organisations. Indeed this coalition was quite efficient during the Fordist era. But slowing economic growth and recurrent recessions no more allowed for such management so that the system was pictured as more expensive and less efficient than in other European countries[17].

Therefore retrenchment and cost control have been on the government's agenda since 1975. But three successive and some time contradictory strategies have been implemented, from the politically easiest to the hardest, which roughly fit in with the business cycles' periodization. During the first stagflationist cycle (1975-1983), pay roll contributions were increased to adjust resources to spending. This was achieved through continuation of the removal of ceilings, inaugurated in 1967, mainly at the employees' expense (see table 2).

[16] "*Régime général*" is the biggest and caters for private sector employees (CNAM); it accounts for 80% of total health spending. "*Régimes spéciaux*" are for civil servants and public enterprises' employees. There are also funds for the farmers (MSA) and the self employed (CANAM).

[17] For recent critiques, see Conseil d'analyse économique, 1999; Breuil-Genier and Rupprecht, 1999.

Patient charges' increases were supposed to foster incentive for patients to "self-adjust"[18]. But these measures failed to contain spending, which kept growing much faster than GDP. During the "competitive dis-inflation" cycle (1984-93), three more radical institutional innovations concerning hospital and ambulatory cares were implemented.

A typically demand side measure, a daily hospital patient charge (*forfait hospitalier*) was introduced.

Moreover public and non-profit private hospitals were submitted to caps on their annual funding (*dotation globale*) (Pouvourville, 1994)[19]. *Dotation globale,* although apparently a supply side measure *de facto* operated as a demand limitation device because it organised external quantitative control and proved largely inefficient to contain medical expenditures (as against labour costs).

Table 2: Social contributions for healthcare insurance (*Régime Général*)

		1945	**59**	**61**	**62**	**66**	**67**	**70**	**71**	**76**	**79**	**80**	**81**	**84**	**87**	**91**	**92**	**97**	**98**
Employers' Contributions Rates %	Under ceiling	10	12.5	13.5	14.25	15	9.5	10.25	10.45	10.95	8.95	8.95	5.45						
	On total wages						2	2	2	2.5	4.5	4.5	8	12.6	12.6	12.6	12.8	12.8	12.8
Employees' Contributions Rates %	Under ceiling	6	6	6	6	6	2.5	2.5	2.5	3	1								
	On total wages						1	1	1	1.5	4.5	5.5	5.5	5.5	5.9	6.8	6.8	5.5	0.75
CSG																		1	5.1

Source: Lancry, 1995.

Achieved through *dotation globale,* this inadequate stabilisation of hospital expenditure was accompanied by growing inefficiency for regional allocation of resources because expenditure capping entrenched existing inequalities between hospitals (Pierru, 1999). Moreover budget control was not extended to private hospitals where costs kept soaring. At the end of the day financial constraints and competition with the private sector proved detrimental for the less well off customers and those on the margins of society, which appeared contrary to traditional French public hospital standards (ibid.)[20].

Thirdly, in a clear departure from the rules established in 1971, a second sector (*secteur II*) was created in 1980 for practitioners allowed to exceed approved flat fees while customers were only reimbursed according to tariffs. The number of sector I practitioners –

18 The level of patient reimbursement on ambulatory care and medicines was reduced.

19 In 1997, the number of beds in the public sector accounted for nearly 65% of the total and private services within public hospitals for 10%. Private beds accounted for one quarter of the total (Devile and Lesdos-Cahaupé, 1999).

20 In spite of these groups subsequently transferring their demand for health care from ambulatory care over to hospitals (Mormiche, 1995).

those who kept abiding by approved fees - consequently declined rapidly, especially for specialists (table 3). This resulted in very significant increases of patient charges in ambulatory care. Sector II expansion was however subsequently stopped from 1990 on[21].

Table 3: Sectors' shares in ambulatory care

Shares First Sector %	All physicians	Generalists	Specialists
1980	82	90	70
1990	68	78	51
1991	74	81	66

Sources: Pouvourville, 1994; Bureau, 1999.

The detrimental effect to the poorest appeared all the more unsustainable that it came on top of other converging reforms: the daily hospital patient charge, patient charges' increase for ambulatory care within sector I while a growing number of medicines were excluded from reimbursement. Thus from 1975 to 1993, patients' participation to costs increased from 20% to 25 % (ambulatory care) and has peaked at 30% since the 1993 reform.

All this has resulted in growing "individualisation" and the shifting of costs over to patients while expenditure was not significantly contained. In fact, because of "*mutuelles*", costs have not been "privatised" in a proper sense. *Mutuelles* are work related non-profit health insurance organisations that employees join voluntarily as "friendly societies". As most French employees are members, costs were shifted to *mutuelles,* increasingly functioning as supplementary insurances (table 4) and maintaining the level of "socialised" spending. But because lower income groups join *mutuelles* less frequently (table 5)[22], this process of individualisation and privatisation significantly increased inequality.

Table 4: Financing healthcare and medicines

Total Healthcare Financing	**1975**	**1980**	**1985**	**1990**	**1993**	**1996**	**1997**	**1990 nb**[23]	**1995 nb**	**1998 nb**
Social Security	73.2	76.5	75.5	74.0	73.9			76.0	75.5	75.5
State	4.1	2.9	2.3	1.1	0.9			1.1	1.0	1.1
Total Public	**77.3**	**79.4**	**77.8**	**75.1**	**74.8**	**74.4**	**73.9**	**77.1**	**76.5**	**76.6**
"*Mutuelles*"	4.8	5.0	5.1	6.1	6.3			6.1	6.8	7.1
"Socialised" Spending	**82.1**	**84.4**	**82.9**	**81.2**	**81.1**			**83.2**	**83.3**	**83.7**
Private Insurances		1.5		3.1	3.6			2.6	3.1	3.0

[21] Sector II physicians were mainly concentrated in large cities and in certain medical disciplines and a growing difficulty of access to care for some groups had emerged, less well-off patients being unable to pay for sector II fees.

[22] Only 85% of the population join a supplementary insurance. Membership strongly varies with income levels and social groups (Rupprecht, 1999a). In 1999, according to Volovitch (1999), 9.5 millions people have no *mutuelle*, and only 2.5 millions of them are 100% covered by social assistance for their healthcare.

[23] New 1995 basis of social protection accounts.

Households share		14.1		15.7	15.3			14.2	13.6	13.3

Sources: Lancry, 1995; Rochaix, 1995; Rupprecht, 1999a; Geffroy et Lenseigne, 1999.

As table 1 supra shows, retrenchment strategies (either incentives for patients to "self-adjust" or hospital budgets' annual capping) failed to really stabilise expenditure (from 9.1% of GDP it grew to 9.6 and 10% during the 1992-93 recession). At the same time this had unintended consequences in terms of inequalities[24]. For reasons both of inefficiency and inequity, the individualisation trend had to be reversed from 1993. Current reform orientations combine supply management for ambulatory care, a return to healthcare planning and an extension of universalism under increased state control. Paradoxically, these reforms have tended to limit traditional liberal practice. The 1995 Juppé Plan (see box) systematised these new orientations.

Table 5: Supplementary Insurance coverage

% of the group 1996	Coverage	% of those giving up care
Farmers	84.4	6.4
Unskilled Blue Collar	**69.9**	**18.1**
Skilled Blue Collar	**82.1**	**17.7**
Unskilled White Collar	**79.4**	**24.4**
Middle management	92.1	**17.8**
Executives	90.9	11.2
Craftsmen and shopkeepers	82	14.9

[24] Increasing inequality of access to care was experienced (despite targeted measures for the very poor - for instance RMI claimants in 1989). According to a 1995 survey, although nearly all interviewees had a health insurance, 24 % declared they had to give up certain cares, because of the inadequacy of the insurance coverage. Restrictions concerned dental cares (12 %), glasses (8 %), and other medical cares (6 %). Another study states that "the rate of renunciation to cares is more than 25 % for households whose income is less than 6500 FF monthly (about 1000 euros), while it is half (12,5 %) for those earning in between 3 000 - 4 500 euros. Moreover, the rate of renunciation was higher than the mean rate for people belonging to groups with the highest degrees of morbidity (Schneider-Bunner, 1995).

Total Active Population	86.4	16.5
Unemployed		**33.7**

Source: Rupprecht, 1999a.

This very wide-ranging project drawing on previous piecemeal reform[25] gave a new impetus to change in a systemic way (Join-Lambert & alii, 1997). Because of fierce opposition some of its content had to be cancelled and courts have also challenged some of it but fundamental elements have lasted. This is especially the case for the steps taken to unify the different healthcare *régimes,* which led to the introduction of a *couverture médicale universelle* (CMU- universal medical coverage) later passed in Parliament in July 1999. This is also true of the accounting and cost controlling content of the plan, in spite of pending technicalities.

The "Juppé" Plan for healthcare

- Parliament is constitutionally empowered to fix annual spending limits with the imposition of penalties on doctors who exceed these ceilings (maintained but not fully implemented so far). An 1996 constitutional amendment and organic laws organise an annual Parliament vote of a "Social Security Financing Bill" (LFSS). LFSS fixes national spending targets and a national objective for healthcare funds (ONDAM) (the first such objective was passed for 1997). Ever since, the actual expenditure has always exceeded the ONDAM threshhold.
- Healthcare funds managing boards are restructured. Against the *paritariste* tradition, the government nominates fund executives and qualified experts are introduced (maintained).
- A universal health-insurance regime is created, encompassing the nineteen existing regimes. The work (or work related) conditions for benefits are substituted by residence requirements (adapted through CMU).
- Funding principles are altered. State contribution is increased through CSG (see section 1). Health social contributions are extended to taxable pensioners and the unemployed whose benefits exceed the minimum wage. Additional taxes are imposed on the pharmaceutical industry and “generic” drugs’ use is encouraged. Family benefits become taxable (not implemented).
- Healthcare cost management procedures are introduced (maintained). An individual healthcare file is created to restrict patients’ “nomadism” and access to specialist practitioners (not implemented).
- Regional administration agencies are created to administer hospitals; evaluation procedures are extended as well as co-ordination between public and private sectors (maintained).

The Juppé Plan clearly demonstrated that structural opposition by practitioners could not be easily put aside[26]. Because of medical associations’ opposition, and because legal technicalities are still pending, an adequate mix of practitioners’ accountability and overall spending limits has not been fully implemented yet. Fresh controversy and doctors’ strikes

---

[25] In previous years there had been “a long genesis of a rushed reform” (Damamme and Jobert, 2000). In 1991, US inspired "diagnosis related groups" were adopted. Medically adapted spending control procedures were first implemented in 1992-93.

[26] Historically the only measure accepted was an annual *numerus clausus* for new practitioners (generalists and specialists). The number of students allowed was limited to 3600 in 1995 while it was 8150 in 1978 and 6409 in 1981 (SESI, quoted by Join-Lambert & alii, 1997). This limitation failed to contain spending because contracts between funds and professional associations only fixed unitary flat fees.

have followed in 2001. However new cost control mechanisms are currently devised to try and settle the internal conflict existing between liberal medicine and socialised expenditure. Specific compulsory medical norms and good practice references (*maîtrise médicalisée des dépenses*) are being gradually implemented[27]. This is a work in progress.

The 1995 Juppé Plan and subsequent 1996 Parliament Acts have also introduced important changes in hospital care. Regional Agencies (ARH) now encompass previously separated state services and the funds' administrative bodies. Wielding general competence in matters of planning and financing for all hospitals, these agencies allocate regional resources according to LFSS standards and they are able to reduce previously entrenched imbalances and adjust resources to needs. In the long term, hospitals will have to comply with care quality standards (Breuil-Genier and Rupprecht, 1999).

Finally implemented from 1999 *couverture médicale universelle* (CMU) is supposed to address the system's previous failings in terms of social exclusion and inequality of access to care. It first entails the creation of an additional subsidiary universal *régime* for all those previously not eligible to fund membership (150 000 persons did not enjoy personal insurance rights nor took up free medical assistance). Secondly CMU initiates a complementary insurance scheme for an estimated six million low-income individuals excluded from *mutuelles'* membership so far. Entitlement to this insurance is income tested (at a monthly 3500 FF in 2000[28]). Resources stem from a special tax on *mutuelles* and private health insurance, linked to incentives for these institutions to participate in the scheme (Marié, 2000)[29].

CMU thus eventually emerges as consistent with the Bismarckian tradition. Despite being termed "universal" it strengthens the fragmentation of the system by adding a new "*régime*". Because this *regime* is subsidiary, the work related base of healthcare remains unchallenged. Indeed the Bismarckian tradition emerges as confirmed, because both the pivotal CNAM role and *mutuelles*'s participation. Universalism is thus achieved through the creation of new schemes in a context of underemployment, while traditional links between "professional" solidarity and national solidarity are strengthened, and because solidaristic

27 Various contemplated instruments are still to finalise: compulsory standards for given pathologies (*références médicales obligatoires, RMO*), overall computerisation of the system, experimentation of care networks, extension of generic drugs use according to Drug Agency norms. Norms have been gradually and increasingly implemented since 1994 (Rupprecht, 1999b). Their effectiveness is however dependent on further computerisation of the healthcare system. Presently only roughly one third of general practitioners are connected by computers.

28 Thus AAH beneficiaries (the disabled) and some minimum income beneficiaries are not eligible (2 million persons) because their benefits are higher.

29 Supplementary benefits are supposed to allow for decent reimbursement of dentist and optical care (Breuil-Genier and Rupprecht, 1999).

assistance is integrated into social insurance. Isn't it a perfect example of beveridgean goal reached by bismarckian means ?

All in all, developments in the French healthcare system for the last twenty years could certainly not be characterised as following a one way trend toward privatisation or individualisation. Figures show long term stability within the particular French welfare mix (table 4) which has always let individual choice and practice play an important role. At the same time healthcare expenditure has remained high since 1993. Neo-liberal influences that had developed in the 1980's have been countered since. Universalisation of healthcare social insurance as well as renewed public planning are moves that somehow "disqualify the liberal temptation" (Pierru, 1999). From 1995 on reforms also paradoxically give a new impetus to *paritarisme* (Catrice-Lorey, 1997, Hassenteufel, 1997). Far from only illustrating reinforced statism, they should also be considered as the tentative outcome of a new coalition between social partners building up[30]. Current reforms have also stressed the crucial role ascribed to contracting mechanisms (between government and social security, between regional agencies and hospitals, etc..). The creation of CMU demonstrates that the FSSP, at least in the healthcare area, has been able to draw a new balance from its hybrid Bismarckian/Beveridgean traditions.

Pensions: resistance of the pay-as-you-go system or development of pension funds?

The French pension system is almost entirely social insurance based and compulsory, it is based on a pay-as-you go principle and very fragmented[31]. Three main groups of schemes account for nearly 90% of 1997 total pensions (DREES, 1998):

- The *régime général* (administered by CNAV) serves basic pensions to all private sector employees including executives and managers (*cadres)* (i.e. one third of the total pension bill, for 8,5 millions beneficiaries, that is 70% of the over 60 population). Government control is here at its highest.

---

30 CFDT has replaced CGT-FO as MEDEF - the main employers' association' s partner. The internal balance of interests within MEDEF has also been altered at the pharmaceutical industry's expense and the *mutuelles* sector has been able to assert itself within the coalition, while a new medical association, MG-France, emerged as a supporter of supply-side reforms (Damamme and Jobert, 2000).

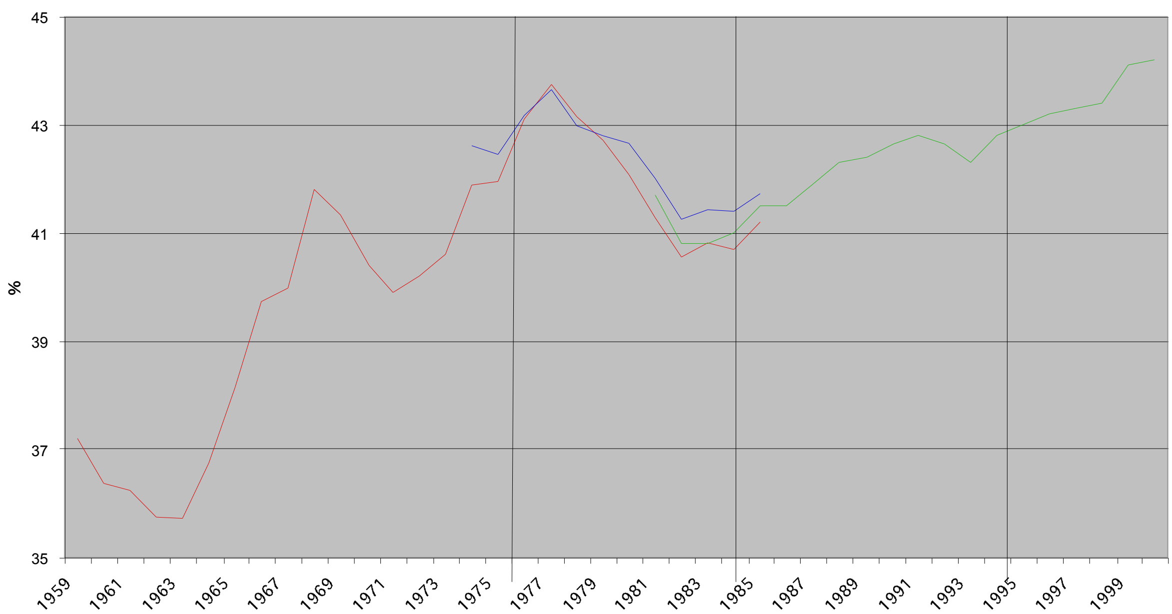
31 538 pension regimes cater for employees, the self-employed, professionals, farmers, managers and executives, each being organised according to different rules and delivering benefits of varying levels. Among them, one hundred *régimes spéciaux* cover 4.5 million public sector employees (20 % of all employees). A very small proportion of these *régimes* are voluntary (the farmers', some large corporations schemes for executives, a few schemes for the self employed). It should nevertheless be stressed that life-insurance schemes, because of their very attractive taxing conditions have collected a significant part of savings (Masson, 1999; Cour des Comptes, 2000).

- The *complementary régimes* (AGIRC and ARRCO) provide additional pensions to *régime général* beneficiaries, amounting to one fifth of total pensions[32]. Social partners manage these schemes and government intervention is limited.

- The special *régimes* for public employees amount to one quarter of all contributive pensions. The government here acts as employer and negotiates with public sector trade unions on a neo-corporatist base.

Figure 7 shows that pensions have been the main spending item since before 1975: their current 43% of total social expenditure was first reached in the early 70's. The quasi-linear growth of pensions over the three periods under review (figure 8) however points to diverging causes. Till the early 80s, pensions' value improved whilst the number of pensioners grew slowly. Then pensions' value decreased relatively while the number of pensioners grew very quickly. The pensions' ratio to GDP per head thus appears almost stable (Concialdi, 2000). Whereas pensions policy remained generous till the early 1980's (retirement age was lowered from 65 to 60 in 1982), it turned more restrictive from then on. The gap between GDP and pensions' growth rates has thus gradually been closing (figure 9)[33].

Figure 7: Pensions Share in Total Social Expenditure



Source : SESI 1986 and Table 1

---

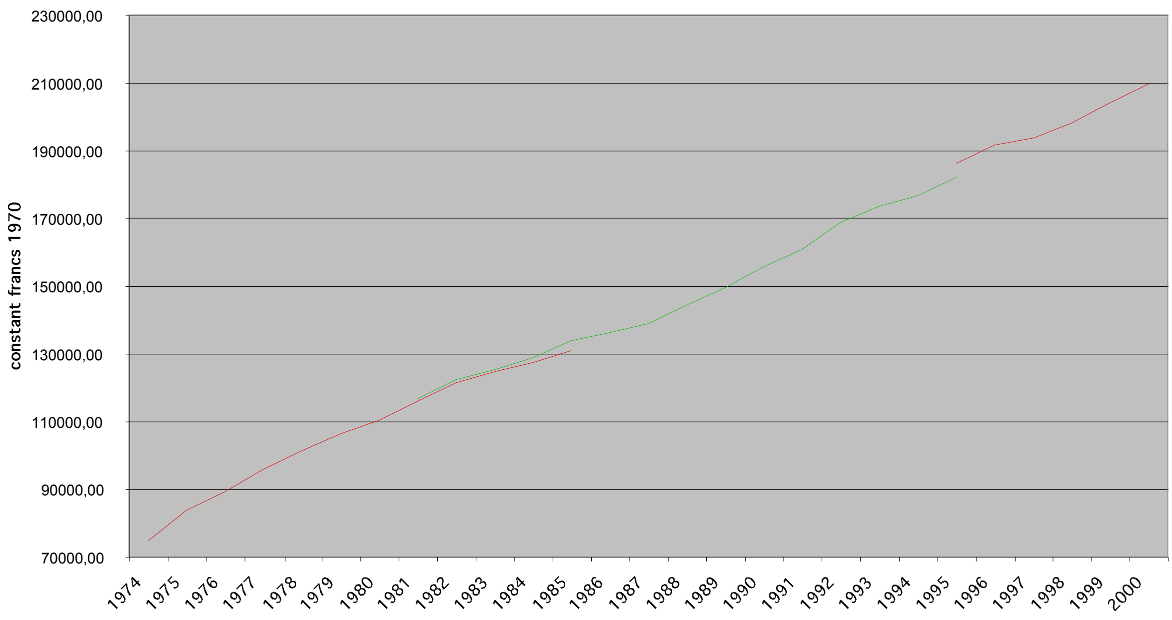
32 Social partners (in 1947 and 1961) decided to complement the CNAV basic pension (which amounts to a 50% replacement of gross wages under a ceiling - a monthly FF 14 470 in 1999). As these complementary *regimes* have become compulsory for all employees, AGIRC, ARRCO and CNAV form a quasi-integrated system. AGIRC caters for managers and executives.

33 Since the 80's growth deficit has accounted for the growth of the GDP pensions' ratio.

As in other developed countries, the political debate about pensions, under the pressure of state élites and employers' associations has mainly stressed economic arguments. These are: (i) long term demographic trends threaten the financial sustainability of pensions; (ii) income distribution has developed in favour of pensioners, whose mean income now equals or exceeds the active population's mean income; (iii) low growth and massive unemployment as well as low employment rates jeopardise the financing prerequisites for pay-as-you-go schemes.

As structural reform is particularly difficult to implement in this area, because of fierce opposition by vested interests, retrenchment measures were limited to piecemeal action till 1993[34]. In 1993, structural reform really started under Balladur's prime ministership. *Régime général* pensions saw their contribution period increase from 37.5 to 40 years for basic and complementary pensions (in the private sector). At the same time reference wages were indexed on prices instead of wages and an increase in the calculation period from 10 to 25 years is to be progressively introduced (Ralle, 1998).

Figure 8 : Pensions' evolution



sources : SESI 1986; DREES 1999

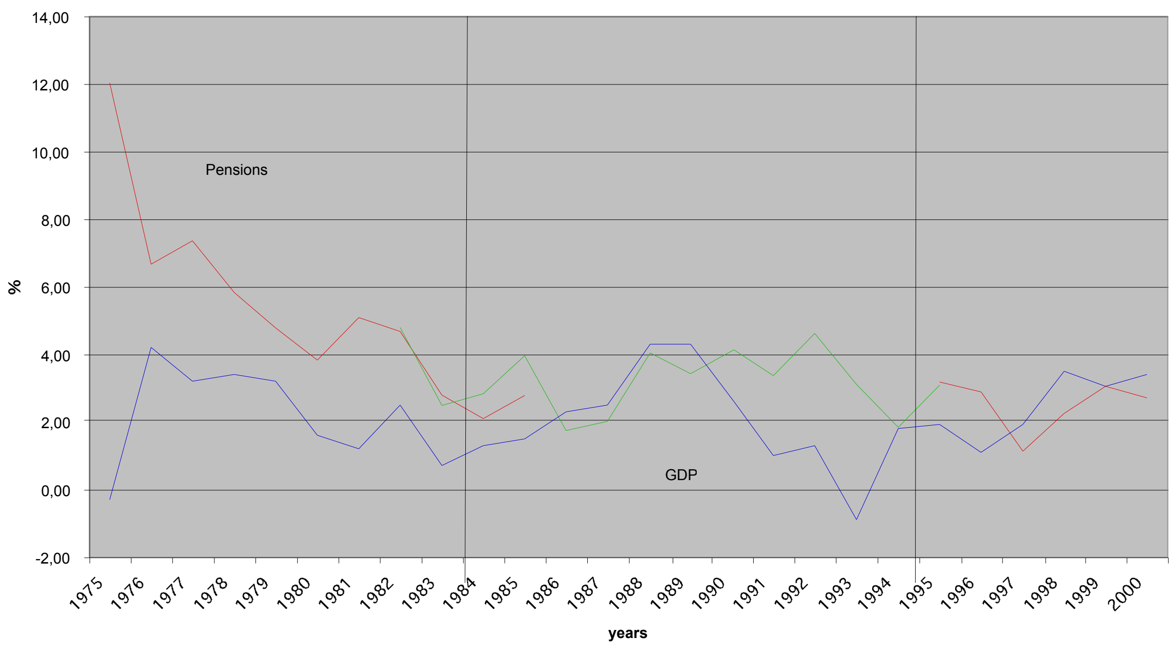
Structural change also extended to complementary *régimes*. In these, additional pensions are calculated according to the number of "*points*" accumulated and not according to the number of contributing years. The complementary pension is thus a defined contribution

34 Taxable pensions for instance have been submitted to health contributions from 1983 on and to CSG since 1991. Pensions were subsequently re-evaluated according to inflation instead of wages and lost purchasing power (a drop of 15.4% or 11.2% to the net wage - Dupont and Sterdyniak, 2000).

scheme, not a defined benefit one. From 1983 to 1997, taxable pensioners have lost 10.4% for ARRCO and 14.4% for AGIRC vis-à-vis the net wages (Dupont and Sterdyniak, 2000). This relative loss of additional pensions' value may be considered as “soft” adjustment of these schemes to demographic and socio-economic pressures. But changes have been negotiated from 1993 to 1996, which led to important modifications of the compromises between social actors (apRoberts and Reynaud 1998) and a new agreement adopted by social partners in 2001.

Social partners agreed on substantial contributions’ increase (and reduced pensions) in 1993-94, despite difficulties raised by conflicting interests between small employers and big corporations, while banking institutions were keen on paving the way for future pension funds; meanwhile division was also encountered among trade unions. New contracts were agreed in 1996 aimed at balancing the *régimes*’ accounts for the next ten years. Although in line with the existing tendency towards reducing pensions, these agreements did not increase contributions. This break from previous practice probably indicates that employers’ associations and most trade unions were at the time implicitly agreed on accepting the creation of pension funds. Indeed, the government passed a bill a few months later through Parliament, later known as the Thomas Act. This Act allowed private sector employees to join pension funds under generous tax incentives for employees' and employers' contributions.

Figure 9: Pensions and GDP real growth rates



However the Thomas Act was never implemented, in the wake of December 1995 social movements and Juppé's failure and it was eventually explicitly repealed in 2001. The entire trade union movement - including the managers union (CGC) - strongly opposed the law mainly on the ground that exemption of taxation on employers' contributions jeopardised existing compulsory complementary schemes. The new scheme being more substitutive than additional, left wing parties promised to scrap it if elected.

So far structural reform has thus only spared the "special regimes" for public firms' employees since the Juppé Plan measures that applied to them were abandoned. There is little doubt that along with the SNCF's reform the intended raising of the number of years of contribution on a par with private sector pensions caused Juppé's electoral debacle (Dehove and Théret, 1996). Special *régimes*' participants enjoy favourable conditions in terms of replacement rates, calculation periods, pension indexation on wages[35] and even retirement age (55 or even 50 years for some categories of workers). Nevertheless some argue that these special regimes conditions are not so relatively privileged because of reference wages on which pension calculation is made exclude pay supplements (*primes*), and also because special regimes are exclusive from complementary ones[36]. This comparison is all the more important that since 1997 the new socialist government has embarked on policy to equalise pensions' conditions in the public and private sectors, without actually implementing the decisive reforms, which are due after the 2002 election.

In 1999, the Jospin government limited itself to create a new reserve fund for the *régime général*, while commissioning three experts' reports[37]. In March 2000, it issued clear orientations as to the necessity to abide by traditional pay-as-you-go principles. Pension funds were thus again put aside. The first of the reports issued, the *Charpin Report* recommended a general extension of the contribution period from 40 to 42.5 years, which encountered fierce trade-union opposition. Nevertheless, current government reform projects envisage extending the 40 years period already effective for private sector pensions to the public sector (notwithstanding special conditions for the special regimes). Interestingly enough the reform project stresses the importance of negotiating with social partners while financial aspects are relatively played down. A new Pension Council (*Conseil d'orientation des retraites*) was put

---

35 Paradoxically this latter disposition has proved less advantageous as public wages have lost purchasing power in the 80s and 90s: between 1987 and 1997, the mean loss was 0.4% a year (Dupont and Sterdyniak, 2000).

36 Well before the emergence of the neolibearal agenda, these factors led to the creation of public employees' mutual funding schemes (PREFON and CREF) which constitute the only instance so far of French pension funds for employees enjoying tax deductions (they cover 400 000 contributors out of 5 million potential participants (Dupont and Sterdyniak, 2000).

37 The *Charpin Report*, the *Teulade Report* and the *Taddei Report*.

in charge of monitoring the negotiation process and proposing measures to guarantee the systems' coherence.

But on the whole, decisions have not yet been taken while the government seems to postpone effective them for after the 2002 elections. Essential questions remain to be addressed. Will the 1999 reserve fund's role be temporary or structural? Will most trade unions (except CFDT) stick to their opposition to the 40 years period?[38] What is however clear is that, contrary to the situation in healthcare, parties disagree as to what is to be decided. Resistance remains also strong against the introduction of pension funds within the French framework in spite of strong pressure from international organisations (OCDE, the European Commission, and even the World Bank) and the French business sector, now under the influence of the insurance companies professional association (FFSA).

A large debate on the issue is currently going on. Media insistence on a so-called "demographic time bomb" and relatively widespread support for the creation of private, voluntary pension funds have been unable to stifle this debate. Issues at stake are of the sort politicians may not handle with authoritarian manners. Moreover economic and political arguments are not clear and remain a matter of controversial debate (see table and box supra).

As time passes and decisions are delayed, the financing requirements appear secondary to political and social justice stakes. Thus the financing problem with pensions is not of the same nature as for healthcare. There is no significant supply side efficiency problem despite the current debate on comparative rates of return. Two fundamental questions remain presently open-ended: (i) what share of national income is French society prepared to allocate pensioners and what would a fair ratio be for pensions' purchasing power as against wages and what are the equity rules between private and public pensions? (ii) Do political and/or economic reasons exist that would necessitate private financial capital entering the pension sector, with the risks of financial instability and inequality?

[38] The government is confronted with a contradiction between increasing this period and the actual labour market developments where participation for the older groups has decreased dramatically, while at the same time, the young have entered the labour market later and later (see section 2). Public service employees (mainly in the public transportation sector) have gone on strike to ask for further lowering retirement age in order to hire young people.

Pension Device	FUNDING	PAY-AS-YOU-GO	PAY-GO WITH RESERVE FUND
Political orientation Social Model	Neo-liberal - Right Wing Parties Anglo-saxon liberal or residualist social model (Beveridgean minimalist)	Statist Conservative Corporatist Left, Communist Party Traditional French (and continental European) social model (Bismarckian)	Social democratic revisited Left New European continental social model New median way (hybrid Bismarckian - Beveridgean maximalist)
Supporting collective forces	OCDE, World Bank, European Commission, globalized economists, insurance companies, Banks and Business Associations	Most trade-unions, civil society groups, some experts, social security funds managers	Some trade-unions, national experts, Green Groups (?)
Purposes	Reduce to a minimum the universal or general basic pensions (lump-sum financed through tax and targeted on the most in need or at least pay-go scheme capped by a low ceiling) ; replace the pay-go complementary pensions system by capitalization schemes and pension funds	Maintain the whole pay-as-you-go system and adapt it to demographic shocks by manipulating its internal parameters	Cumulate the advantages of both systems without suffering their drawbacks, by introducing a reserve fund within the pay-go system in order to sustain long-term viability and therefore credibility of the pay-go system
Ideological premisses	Faith in market and capitalist virtues : fear of the socio-political risk imbedded in pay-go system, trust in the future of financial markets, radical distrust of the individual vis-à-vis the state ; Worry with generational equity but not with intragenerational inequalities.	Faith in state and social security bureaucracies virtues : fear of the financial risk, trust in the flexibility of the socio-political contract between generations ; Worry with generational solidarity but not with intragenerational inequalities that must be addressed at the level of wage negotiations	Double distrust vis-à-vis the market and the state, but trust in a new negotiated social contract : preference for risk sharing in rooting the pension system on both devices ; Worry with intergenerational transfers and mutual debts (enlarged to three generations) and intragenerational inequalities
Economic doctrines	No difference between social contributions and taxes ; no difference between social security and the state ; following orthodox neoclassical economics, social contributions must be reduced because at the microlevel they push the labour costs and reduce employment ; at the macro-level social security has a powerful eviction effect on savings and therefore restrains growth. Consequently, social contributions must decrease.	Radical difference between social contributions (which are a wage part) and taxes as well as between social security (*démocratie sociale*) and the state ; following a christian-marxist political economy, the labour prices (tariffs) are not a cost and do not have to be reduced, but education and qualification must be developped to improve growth, international competitivity and employment. Consequently, social contributions can still increase.	Differences between contributions and taxes, and importance of social insurance and solidarity against possessive individualism, but sensible to neo-classical arguments in terms of efficiency and incentives. Consequently, social contributions can increase but only temporarily and mainly in the complementary framework of a capitalization device allowing to benefit of the current high returns of financial assets in order to finance pensions
Internal divisions	Between the types of pension funds to implement : corporate or institutional investor management ; between the modes of exit : *rente viagère*/capital	Between partisans of *démocratie sociale*, *paritarisme* and tripartism (state, labour and capital), and between those who wants to equalize pension conditions in the public and private sectors and those who do not want.	Around the type of reserve fund, the types of investment (public or private) to privilege, and the management mode (within social security funds, by a special state fund, or by private institutional investor)
Efficiency criteria	Rate of return	Replacement rate	Both
References	Holzman, 2000 ; European Commission, 1997	Friot, 1998 et 1999 ; Artus and Legros, 1998 ; Sterdyniak, 1999 ; Dupont and Sterdyniak, 2000 ; Teulade report 2000 ; Fondation Copernic, 1999 et 2000 ;	Davanne and Pujol, 1997 ; Conseil d'analyse économique, 1998 ; Blanchet, 1998 ; Masson,1999 ; Charpin Report 1999

Freely adapted from Masson (1999).

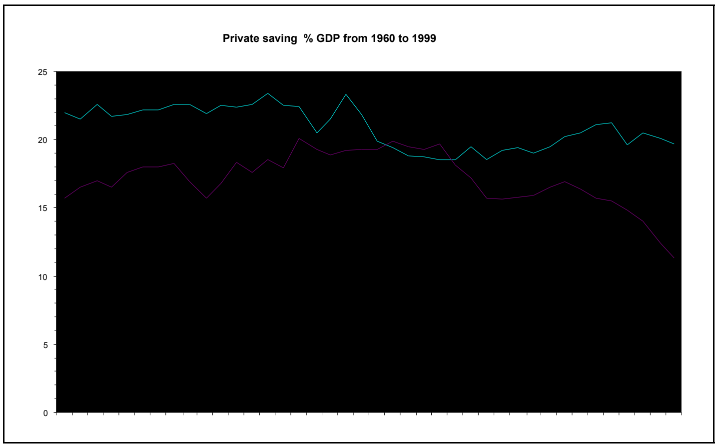
Funding versus pay-as-you-go systems

Three main **economic arguments** are used to support the replacement of pay-as-you-go systems by pension funds (Blanchet, 1998; Concialdi, 2000).

1/The demographic argument: pension funding is supposed to allow adjustment to the increasing costs of an ageing population. However, just as pay-as-you-go schemes, funding schemes need additional resources out of the current GDP inasmuch as life expectancy increases. The difference between both systems only relates to the ways resources are allocated. Moreover, ageing is not the only socio-demographic problem. Intergenerational transfers for the non active and transfers among the active population should also be taken into account (Masson, 1999; Concialdi, 2000). This accounts for the following alternative measures of dependency ratios (Concialdi, 1999) :

(1995=100)	2005	2010	2020	2030	2040
Old-age dependency ratio	103	110	136	164	182
Demographic dependency ratio	99	105	115	129	137
Economic dependency ratio	90	86	93	101	106

2/The savings argument: capitalisation is deemed better because it increases savings and consequently investments and stronger growth. This argument may have some consistency in the US context where saving ratios for households are very low. However in the French case (as in Japan and continental Europe), saving ratios are totally different. Moreover there is not shortage of capital, but a problem of assets allocation (Legros, 2002).



Source : OCDE, 1999.

3/The rate of return argument: pensions funds would yield better returns. But capitalisation schemes have short and middle term transitory costs that are not compensated by long term gains. Moreover management costs are much higher for pensions funds than for pay-as-you-go schemes. Finally, if large capitalisation schemes extend to all developed countries, rates of return will be lower and financial instability higher, both risks incompatible with long term balance necessary to manage structural changes in the pension field.

Efficiency arguments in favour of capitalisation schemes thus do not compensate for the risk of structural change. Economic equity arguments clearly converge. Economic justifications have then given place to more directly **political arguments**.

1/The growth argument: According to pension funds supporters, increasing social contributions' burden on production is unsustainable and it is necessary to rely more on voluntary savings. But as the present distribution of savings is very unequal among employees, universal access to pension funds would then only be attained by making it compulsory, which would entail additional contributions (Balligand and de Foucault, 2000).

2/The leftist argument: trade unions would wield new powers as shareholders able to control firms' economic policies. On the contrary, recent research shows that experiments of pensions funds controlled by trade-unions in the US invalidate this idea and demonstrate that the financial logic hold the sway over the labour logic (O'Sullivan, 2000; Pernot and Sauviat, 2000).

3/The nationalist argument: For France and other continental European countries, it would be necessary to develop national pension funds to counter American and British funds' hegemony. However France, as most other European Union member states harbours large trade balance surpluses and is exporting massive amounts of capital towards other parts of the developed world. Here again the problem of assets' allocation is not directly related to pension funding.

Whereas the answer to the first question is still a matter of debate, the answer to the second has clearly been negative so far. It seems therefore unlikely that private funding schemes will develop on a large scale in France, at least for as long as present compulsory mainstream and complementary regimes keep providing reasonable pensions on an across regimes solidarity base. It has been argued that reforms have already sufficiently reduced pensions' level so as to create conditions for a future substitution of complementary schemes by pension funds (Palier and Bonoli, 2000). On the other hand path dependency supporters have argued that for mature systems such as the French, transition to funding schemes entail unbearable transition costs (Myles and Pierson, 2000). Our position is somehow in between. The French system's hybrid nature is open to several long-term paths of evolution. *Because time is passed and political obstacles have dramatically increased, the neo liberal project of replacing pay-as-you-go schemes by pension funds administered by private insurance corporations now is unlikely to succeed.* However funding principles are not totally alien to the French context as several instances demonstrate, the existing albeit marginal public employees' funds but also large scale life-insurance saving funds already function as individual and voluntary complements to pension schemes (Masson, 2000). Future political compromises between French parties will determine the eventual structure of the pension mix, under pressure from business and financial élites, international organisations and civil society. They could allow for a limited development of funding schemes, possibly as a new tier of schemes within co-ordinated policies at European level.

IV. International challenges

Trends explaining the main challenges the French *État social*, along with other welfare states, has gradually been facing for the last twenty years, can be traced to the combined effects of (i) financial constraints, (ii) labour markets under pressure for flexibilisation, and (iii) demography and family patterns. Because of increasing internationalisation of expertise and decision-making concerning social policy, it has become conventional wisdom that, even when they belong to different clusters (Lautier, 1995), welfare states face the "universal" challenges of globalisation. We contend that NSSPs *diverge sufficiently* so as not to face the *same* challenges, although from a general perspective they obviously face *similar* challenges. The difference between sameness and similarity points to different NSSPs rationales as key explaining factors. For instance, the challenge of globalisation is similar but not the same for small countries outside the UE (for example, Norway, and Sweden before it joined the EU) and for larger countries (as France) belonging to EU since its inception.

Moreover, the main challenges appeared to be chiefly related to endogenous rather than exogenous factors: population ageing and a growing demand (and supply) for healthcare services (most of which go to the elderly) more than globalisation. Certainly economic interests and neo-liberal social forces nevertheless tend to use these challenges as opportunities for changing the system in their favour. It is no wonder that they press for solutions such as privatisation in the potentially most profitable sectors (i.e. retirement and healthcare). But, as has been noted by some pension reform experts (Masson, 1999; Dupont and Sterdyniak, 2000), financial as well as demographic considerations are not as crucial for the future of the FSSP as choices of a social and political nature, closely connected to national history[39]. Unemployment, family/housing, and poverty risks also face internal challenges related to transformations in gender relationships and family structures as well as external ones, the labour market situation depending on labour relations and wage policies that are directly under pressures from trade liberalization and the new international corporate governance agenda. But, comparatively to healthcare and pensions, these sectors do not involve a large part of state financing, even if costly new employment policies have been implemented. The huge differences across Europe with regard to "welfare to work" policies are also clearly linked to internal causes (Gilbert and Van Voorhis (eds), 2001). The 2001 unemployment insurance reform in France, which eventually created a new programme, the *PARE (Plan d'aide au retour à l'emploi* – path to the reintegration into the labour market) has extensively shown how compromises over the particular balance between rights and duties of

[39] On the political character of choices concerning healthcare and the political role of economists in that field, see also Serré (1999) and Dammame and Jobert (2000).

the unemployed are firmly rooted into consensus values pertaining to the national level (Barbier, 2002).

Furthermore pressures from trade liberalisation have been mediated and deflected by the Europeanisation process which is not in our view, in the French case anyway, an external process, but an endogenous political process of exteriorisation. All in all, it can be assumed that true external challenges have become serious only during the current period following the last 1993 recession. In the first two business cycles following the 1973-1975 economic crisis, European policies' impact on national European welfare states were only limited and indirect (Palier 2000; Lechevalier, 2001; Théret 2001). They were unable to organise a convergence process toward a unique European (neo-liberal or minimalist) model of social protection. Nowadays, conversely, with EMU completion the EU increasingly emerges as concerned by the issue of national social policies, albeit with a different agenda. Rather than institutional convergence, both the European Council and Commission seem to have opted for a convergence of objectives. The *méthode communautaire* has been enriched and now includes the so-called *open method of coordination* (De la Porte, Pochet and Room, 2001; Théret, 2001 et 2002a et b).

The theory of the method is that Member states should be free to implement the policies and programmes they wish within the ambit of their national competences, provided that they all endeavour to reach these common objectives. Indeed one of the key questions, as is seen from the very new debate over the "quality of jobs", is the *substantive* content of these objectives. One of the interesting aspect of this Europeanisation is that, although all member states are now using the same cognitive tools to implement and present their policies to each other, national diversity tends to persist. This is extensively vindicated although all European élites now use the same economic justifications for their national policies, i.e. the quasi-universal orthodox economic policy mix. In matters of social and employment policy, many *substantially divergent strategies* can be pursued, but all are – in a cognitive way at least – compatible with the common neo-liberal paradigm (Barbier and Sylla, 2001). Obvious spill over effects in social policy are also visible after the Nice treaty extended the competencies of the Union both in matters of pensions and of "social exclusion".

Whatever the eventual result of the new process will turn out to be, it is clear that a new period for reform process of the NSSP has now began where the issue of the Europeanization of member states' economies and currency is directly addressed. It is likely that, even if French political institutions stay formally immutable and if the social policy field stay under the rule of an unanimity vote of the European Council, the Europeanization of social policy which is now at stake will change the French state in some way (Radaelli, 2000). But, despite the usual rhetorics, the substance of changes is more questionable and should be assessed through a plurality of scenarios (Théret, 2001 and 2002).

Conclusion

Globally the French system of social protection has undergone numerous innovative transformations since the eighties and the nineties. The very long list of acronyms according to which new schemes, instruments, institutions, financial mechanisms, etc., are named is instructive by itself. These new "institutional forms" all pertain to adaptations either to financial pressure or to labour market and demographic challenges. Since the end of the Fordist era they have resulted from a process of trials and errors, from hesitations between conceptions of welfare, but also contingent social constructions by actors. Most of these new forms emerged in the early 90's after the succession of two contrasted periods. During the first of these, traditional expansionist social policies were pursued from 1975 to 1983. Financial retrenchment characterised the second one until the 1993 recession. Structural reform in almost every policy area has been on the agenda during the current period, which started in 1993-94.

It is obviously too early to assess what the eventual outcome of on-going reforms will be, given that in many areas crucial decisions or compromises are still pending – most prominently the pension system. Nevertheless the general trend seems clear. Rather than a radical shift in the traditional French Bismarckian model, what seems to emerge is a new Bismarckian/Beveridgean *welfare mix*. This particular mix appears as a logical extension of a pattern present from the early stages of the system in 1945. Change is path-dependent but that path dependency has not prevented innovation in the French hybridised system. Although Beveridgean principles have influenced these developments crucially, the outcome in terms of institutions and rules is certainly still Bismarckian. A tentative new alliance is building up between the traditional *paritariste* spirit and state dominated national solidarity, even amid fierce social controversy of a type that was well illustrated by the 2001 reform of unemployment insurance.

If Beveridgean objectives were pursued with Bismarckian means during the early stages of the French social security system, the reverse might well be true to-day, as Beveridgean instruments now seem to be used for Bismarckian objectives. CSG, CMU, RMI, not to mention the recent employment policies [including the generalisation of social contributions breaks in the very near future, for a huge part – about two thirds – of the workforce, and the apparently odd introduction of a comparatively marginal tax credit programme, the so-called *prime pour l'emploi*], undoubtedly all these reforms participate in the system's evolution towards universalistic social protection. But at the same time these elements remain subsidiary within an overall Bismarckian institutional architecture. Healthcare and pension reforms demonstrate its resilience.

The timing of the reform process also has a crucial importance with respect to the extent of the initial neoliberal (Beveridgean minimalist) reforms' trend. This timing mirors the multiple causation of these processes, sectoral actors' rationales interfering with the global logic of the national political system, international actors, and macro-economic bureaucratic management. As related events in the healthcare and pensions sectors during the critical 1993-97 period show, politics matters as well as institutions. A reform can be reversed if it occurs in a period of political instability, if it has taken too much time and may be belated.

External, or rather externalised influences have been important, but have probably not constituted a deciding factor. However, in the context of an increasing influence from the European Union institutional building, national social policies will certainly eventually turn out as less independent. What remains to be seen is whether the present structural welfare mix will be able to resist ideological pressures which still clearly favour social protection liberal minimalist standards, even if some signs of a new turn have appeared at the Union level since the 2000 Lisbon Council and the 2001 Nice Conference. All continental systems face this question which points to stakes in terms of future welfare provision quality. Will political Europeanization be a protection against the liberal drift? Clearly the cross national democratic mobilisation will be needed if ambitious collective social investment strategies are sought for.

REFERENCES

Abramovici Gérard, and Mathieu Rodolphe, 1999, " Les comptes de la protection sociale 1995 - 1998 ", *Dossiers solidarité - Santé,* n° 4, oct. - dec., Paris, DREED, Ministère de l'emploi et de la solidarité.

ApRoberts Lucy, and Reynaud Emmanuel, 1998, *Un panorama de la protection sociale complémentaire,* Paris, IRES, Rapport pour la MIRE, février, ronéo.

Balligand Jean-Pierre, and de Foucault Jean-Baptiste, 2000, "L'épargne salariale une solution pour les retraites ? Extrait du Rapport au Premier ministre - L'épargne salariale au coeur du contrat social, in ***Problèmes économiques***, n° spécial Retraites: des rapports aux réformes, n° 2659, 5 avril, p. 31-32.

Banting Keith, 1997. " The Social Policy Divide: The Welfare State in Canada and the United States ", in Banting, Hoberg, and Simeon (eds), *Degrees of Freedom. Canada and the United States in a Changing World*, Montreal & Kingston, McGill-Queen's University Press, p. 267-309.

Barbier Jean-Claude, 1998, " La logica del workfare in Europa e negli stati uniti : i limiti delle analisi globali ", *L'Assistenza sociale,* n°1, gennaio-marzo 1998, p. 15-40.

Barbier J.-C., 2000, " Juger l' " Europe sociale " en termes d'efficacité et d'équité ? ", communication aux 20è journées de l'AES, Toulouse, septembre, 14p.

Barbier, Jean-Claude, 2002, "Peut on parler d'activation de la protection sociale en Europe", *Revue française de sociologie,* forthcoming.

Barbier Jean-Claude, and Théret Bruno, 1998, " Le politiche sociali in periodi di disoccupazione di massa : un mix di "'inserimento' e politiche occupazionali ", *L'Assistenza sociale*, n° 3-4, luglio-dicembre, p. 149-170.

Barbier Jean-Claude, and Théret Bruno, 2001, "Welfare-to-work or Work-to-welfare? The French Case" (with), in *Activating the Unemployed: A Comparative Appraisal of Work-Oriented Policies,* Neil Gilbert and R. Van Voorhis (eds), New York: Transaction Books.

Barbier Jean-Claude, and Sylla Ndongo Samba, 2001, *Stratégie européenne de l'emploi: les représentations des acteurs en France*, rapport pour la DARES et la Délégation à l'emploi, décembre, 119p.

Bec Colette,1998. *L'assistance en démocratie*. Paris, Bélin;.

Bec Colette, 1999, " Assistance et égalité dans le système français de protection sociale ", in MIRE, *Comparer les systèmes de protection sociale en Europe*. Vol. 4 : Rencontres de Copenhague, Paris: DREES-MIRE - Imprimerie Nationale, tome I, pp. 135-147.

Blanchet Didier, 1998, "Le débat répartition-capitalisation: un état des lieux", in Conseil d'analyse économique, *Retraites et épargne,* Paris, La Documentation Française, pp. 93-106.

Bonoli Giulano, and Palier Bruno, 1995, " Entre Bismark et Beveridge. " Crises " de la sécurité sociale et politique(s) ", *Revue française de science politique*, Vol. 45, n° 4, pp. 668-698.

Bonoli Giulano, and Palier Bruno, 1999, " Phénomènes de *path dependence* et réformes des systèmes de protection sociale", *Revue française de science politique*, Vol. 49, n° 3, pp. 399-419.

Bradshaw Jonathan, Ditch John, Holmes H., Whiteford P., and Ray Jean-Claude, 1994, "Une comparaison internationale des aides à la famille". *Recherches et Prévisions,* septembre (37), pp. 11-26.

Breuil-Génier Pascale, and Rupprecht Frédéric, 1999, " La maîtrise des dépenses de santé, la réforme de l'assurance-maladie (1996-1999) ", *Revue française d'économie,* Vol. XIV, n° 3, pp. 129-166.

Bureau Dominique, 1999, " Intérêt social et discrimination en assurance-maladie publique ", *Revue française d'économie,* Vol. XIV, n° 2, pp. 163-187.

Catrice-Lorey, Antoinette, 1997, " La Sécurité sociale en France, institution anti-paritaire ? Un regard historique de long terme ", *La Revue de l'IRES*, n° 24, numéro spécial Le Paritarisme. Institutions et acteurs, pp. 81-106.

Caussat Laurent, and Hel-Thelier Sylvie, 1998, " Les transfert sociaux ", in Conseil d'Analyse Economique ed., *Fiscalité et Redistribution,* Paris, Documentation française, Annexe B, pp. 67-85.

Commission européenne, " Les grandes orientations des politiques économiques de 1999 ", *Économie européenne,* n° 68.

Concialdi Pierre, 1997, " Le débat sur les retraites: l'alibi de la démographie ", *Revue de l'IRES,* n° 23, pp. 37-57.

Concialdi Pierre, 1999a, "Réformer la protection sociale? Le débat sur les retraites", *Cahiers français,* Emploi et protection sociale, p. 107-116.

Concialdi Pierre, 1999b, "Retraites: les enjeux comptables, économiques et politiques", *L'économie politique,* n° 3, pp. 6-20.

Concialdi Pierre, 2000, " Débats et enjeux autour des retraites : un état des lieux ", *L'Année de la régulation*, Vol. 4, pp. 171-208.

Conseil d'Analyse Économique, 1998, *Retraites et épargne,* Paris, La Documentation française.

Conseil d'Analyse Économique, 1999, *Régulation du système de santé,* Paris, La Documentation Française.

Cornilleau, G., Le Cacheux, J. et Timbeau X., 1995, "Sécurité sociale : la dernière réforme ?", *Lettre de l'OFCE*, n° 145, décembre.

Cour des comptes, 2000, " Les différentes formes de l'épargne retraite, extrait du Rapport annuel au Parlement sur la Sécurité sociale ", in ***Problèmes économiques***, n° spécial Retraites : des rapports aux réformes, n° 2659, 5 avril, p. 27-31.

Damamme Dominique, and Jobert Bruno, 2000, " Coalitions sociales et innovations institutionnelles : le cas du Plan Juppé ", *Changement institutionnel et territoires*, in Tallard, Michèle, Théret, Bruno, and Uri, Didier (eds), Paris, L'Harmattan.

Dantec Alexis, and Pelgrin Florian, 1998, "Retraites de l'Europe", *Revue de l'OFCE, Observations et diagnostics économiques,* n° 67, pp. 207-228.

Davanne Olivier, and Pujol Thierry, 1997, "Le débat sur les retraites; capitalisation contre répartition", *Revue française d'économie, Vol. XII, n° 1.*

Dehove Mario, and Théret Bruno, 1996, " La parole de l'Etat. A propos de la crise sociale qui a paralysé la France en novembre-décembre 1995 ", *Politique et Sociétés*, 15(30), special issue Vers un nouvel Etat-providence ?, p. 53-90.

Deville Annie, and Lesdos-Cauhapé Claire, 1999, " Les Comptes de la santé en 1998 ", *Etudes et Résultats,* DREES, n° 24, juillet.

De la Porte, Caroline, Pochet, Philippe, & Graham Room. 2001. " Social benchmarking, policy-making, and new governance in the EU ", *Journal of european Social Policy, 11(4).*

Direction de la sécurité sociale, 1998, " Description des retraites par répartition ", annexe A in Conseil d'analyse économique, *Retraites et épargne*, Paris, La Documentation française, pp. 141-156.

Données sociales, INSEE, 1999, Paris.

DREES, 1998, *Les comptes de la protection sociale 1990-1997*, Paris, La Documentation française.

DREES, 1999, " Les comptes de la protection sociale en 1998 ", *Etudes et Résultats,* n° 36.

DREES, 2000, " Les comptes de la protection sociale en 1999 ", *Etudes et Résultats,* n° 85.

DREES, 2001a, " Les prestations sociales en 2000", *Etudes et Résultats,* n° 130.

DREES, 2001b, " Les comptes de la protection sociale en 2000", *Etudes et Résultats,* n° 139.

Duclos Laurent, and Mériaux Olivier, 1997, " Pour une économie du paritarisme ", *La Revue de l'IRES*, n° 24, numéro spécial Le Paritarisme. Institutions et acteurs, pp. 61-80.

Dupont Gaël, and Sterdyniak Henri, 2000, *Quel avenir pour nos retraites ?,* Paris, La Découverte, collection Repères.

Esping-Andersen Gosta, 1990, *The three worlds of welfare capitalism,* Princeton, Princeton University Press.

Esping-Andersen Gosta, 1996, *Welfare States without Work : the Impasse of labour shedding and Familialism in Continental European Social Policies,* in Esping-Andersen, G. (ed.), 1996, *Welfare States in Transition. National Adaptations in Global Economies,* London - Thousand Oaks - New Delhi, SAGE, pp. 66-87.

Esping-Andersen Gosta, 2000, " A Welfare State for the 21st Century, Ageing Societies, Knowledge Based Economies and the Sustainibility of European Welfare States ", report for the Lisbon Summit, Spring, 37p (internet version).

Flora Peter, 1986, "Introduction". in Flora, P. (ed.), *Growth to limits. The Western European Welfare States Since World War II*,.Berlin - New York: de Gruyter, p. XII-XXXVI.

Fondation Copernic, 1999, " Retraites, l'autre diagnostic, *Notes de la Fondation Copernic*, n°1, 23 p.

Fondation Copernic, 2000, " Retraites, d'autres propositions, *Notes de la Fondation Copernic*, n°2, 40 p.

Friot Bernard, 1998, *Puissances du salariat,* Paris, La dispute.

Friot Bernard, 1999, " Le fondement des retraites dans le salaire : un enjeu politique majeur ", roneo.

Gaullier Xavier, 1996, "Réinventer la retraite", *Le Débat*, n° 89, mars-avril.

Geffroy Yves, and Lenseigne Fabrice, 1999, " Les Comptes de la santé en 1998 ", *Etudes et Résultats,* DREES, n° 33, septembre.

Gilbert, Neil and R. Van Voorhis (eds), 2001, *Activating the Unemployed: A Comparative Appraisal of Work-Oriented Policies,* New York – London: Transaction Books.

Hassenteufel Patrick, 1997, " Le plan Juppé : Fin ou renouveau d'une régulation paritaire de l'assurance-maladie ", *La Revue de l'IRES*, n° 24, numéro spécial Le Paritarisme. Institutions et acteurs, pp. 175-190.

Hatzfeld, Henri, 1971, *Du paupérisme à la Sécurité sociale*, Paris, Armand Colin.

Hesse Philippe-Jean, 1999, " Le " modèle " français : comme un essaim de chauve-souris ", in MIRE, *Comparer les systèmes de protection sociale en Europe*. Vol. 4 : Rencontres de Copenhague, Paris: DREES-MIRE - Imprimerie Nationale, tome I, pp. 15-29.

Holzmann Robert, 2000, " La réforme des retraites : l'approche de la Banque mondiale ", Revue internationale de sécurité sociale, Vol. 53, n° 1, pp.

Imbault-Huard M.-J., 1996, "Hôpital : une réforme pour rien", *Le Débat*, n° 89, mars-avril.

INSEE, 1999, *Séries longues,* Paris, INSEE.

Jobert Bruno, and Théret Bruno, 1995, "La consécration républicaine du néolibéralisme", in *Le tournant néolibéral en Europe,* B. Jobert ed., Paris, L'Harmattan.

Jobert Bruno, and Steffen Monika (eds), 1994, *Les politiques de santé en France en Allemagne,* Espace Social Européen, n° 258, Observatoire européen de la protection sociale.

Johanet Gilles, "Santé : un système dévoyé", *Le Débat*, n° 89, mars-avril 1996.

Join-Lambert, Marie-Thérèse, Bolot-Gittler, Anne, Daniel, Christine, Lenoir Daniel, and Méda, Dominique,1997, *Politiques sociales,* Paris, Presses de Sciences Po et Dalloz, 2 ème édition.

Kerschen Nicole, 1995, " L'influence du Rapport Beveridge sur le plan français de sécurité sociale de 1945 ", *Revue française de science politique*, Vol. 45, n° 4, pp. 570-595.

Kott Sandrine, 1996, " Communauté ou solidarité. Des modèles divergents pour les politiques sociales française et allemande à la fin du XIX ème siècle ? ", in MIRE, *Comparer les systèmes de protection sociale en Europe*. Vol. 2 : Rencontres de Berlin, Paris: MIRE - Imprimerie Nationale, pp. 41-60.

Lancry Pierre-Jean, 1995, " Le financement de la santé en France ", *Revue d'économie financière,* n° 34, pp. 167-181.

Lautier Bruno, 1995, " L'État et le social ", in Théret, Bruno (ed.), *L'État, la finance et le social. Souveraineté nationale et construction européenne,* Paris, La Découverte, pp. 483-516.

Lechevalier, Arnaud, 2001, "Dynamique concurrentielle dans l'Union Economique et Monétaire et politiques de protection sociale : une mise en perspective du cas français", communication au colloque *Concurrence et protection sociale en Europe*, Rennes, IREIMAR, CRAP et IODE, 25-26 octobre.

Legros Florence, 2002, " Le choix du système de retraite ", paper delivered to the World Bank and Sciences Po meeting, Paris, April 27th.

Letourmy Alain, 1995, " Les formes économiques de la régulation des dépenses de santé en France : le gaspillage négocié ", in MIRE, *Comparer les systèmes de protection sociale en Europe*. Vol. 1 : Rencontres d'Oxford, Paris: Imprimerie Nationale, pp. 323-360.

Lévy M. L., 1998, " Raisonner sur le vieillissement ", *Population et Sociétés,* n° 341, décembre.

Lordon, Fréféric, 2000, *Fonds de pensions, piège à cons ?,* Paris, Raisons d'agir.

Marié Romain, 2000, " La Couverture Maladie Universelle ", *Droit Social,* n° 1, janvier, p. 7-20.

Martin Claude, 1998, " Le domestique dans les modèles d'Etat-providence ", *in* Commaille, Jacques, and Jobert, Bruno (eds), *Les métamorphoses de la régulation politique,* Paris, LGDJ, pp. 361-380.

Masson André, 1999, " Quelle solidarité intergénérationnelle", *Revue française d'économie,* Vol. XIV, n° 1, pp. 27-90.

Maurice Marc, Sellier François, and Sylvestre Jean-Jacques, 1982, *Politique d'éducation et organisation industrielle en France et en Allemagne,* Paris, PUF.

Maurice Joël (ed.), 1999, *Europe sociale,* Rapport au Premier Ministre, Commissariat Génral du Plan, Paris, La documentation française.

Merrien François-Xavier, 1997, L'État-Providence, Collection Que sais-je ?, Paris, PUF.

Messu Michel, 1999, " Solidarisme et familialisme, le poids des conceptions idéologiques dans la formation de la protection sociale française ", in MIRE, *Comparer les systèmes de protection sociale en Europe*. Vol. 4 : Rencontres de Copenhague, Paris: DREES-MIRE - Imprimerie Nationale, tome I, pp. 121-134.

Minc, A., 1995, (Rapport au Premier Ministre de la commission du CGP présidée par), *La France de l'an 2000*, Paris, Odile Jacob.

Mizrahi Andrée, and Mizrahi Arié, 1995, " Les mutations de la demande de soins : évolution 1970-1994 ", *Revue d'Economie Financière*, n° 34, n° spécial Le financement de la santé, p. 83-102.

Mizrahi Andrée, and Mizrahi Arié, 1996, " L'évolution de la demande de soins médicaux ", *Revue d'Economie Financière*, n°

Möbus M., and Verdier Eric (eds), 1987, *Les diplômes professionnelsen Allemagne et en Franc, conception et jeux d'acteurs,* Paris, L'Harmattan.

Monde (Le), 1996, "Le système en question", *Dossiers & Documents*, n° 240, février.

Mormiche Pierre, 1995, " L'accès aux soins : évolutions des inégalités entre 1980 et 1991 ", *Economie et Statistique, n° 282.*

Mückenberger Ulrich, and Supiot Alain, 1999, Ordre public social et communauté. Deux cultures du droit du travail ", in Zimmermann, Bénédicte, Didry, Claude, and Wagner, Peter (eds), *Le travail et la nation,* Paris, Éditions de la MSH, pp. 81-105.

Myles John, and Pierson Paul, 2000, " The comparative political economy of pensions reform ", in Pierson, Paul (ed.), *The New Politics of the Welfare State*, Oxford, Oxford University Press.

OCDE, 1999, "Les grandes orientations des politiques économiques européennes", *Economie européenne*, n° 68.

OCDE*, 2001, Economic Outlook*, n°. 70, December, Complete Edition.

Olivennes, D., 1996, "Pour un New Deal à la française", *Le Débat*, n° 89, mars-avril.

O'Sullivan Mary, 2000, " ", *L'Année de la régulation*, Vol. 4, pp. 47-87.

Palier Bruno, and Bonoli Giulano, 2000, " La montée en puissance des fonds de pension : une lecture comparative des réformes des systèmes de retraite, entre modèle global et cheminements nationaux ", *L'Année de la régulation*, Vol. 4, pp. 209-250.

Palier Bruno, 1998, " The french social protection system ", in Portonnier, Jean-Claude (ed.), 1997, *Glossaire bilingue de la protection sociale. Social Protection : a bilingual glossary,* Vol. 1, Les termes français, Paris, MIRE, pp. 23-34.

Palier Bruno, 1999, *Réformer la Sécurité sociale. Les interventions gouvernementales en matière de protection sociale depuis 1945, la France en perspective comparative*, Thèse de doctorat, Institut d'Études politiques de Paris, ronéo.

Palier Bruno, 2000, " Does Europe matter? Européanisation et réforme des politiques sociales des pays de l'Union européenne", in *Politique européenne, n° 2.*

Pernot Jean-Marie, and Sauviat Catherine, 2000, " ", *L'Année de la régulation*, Vol. 4, pp. 89-116.

Pierru Frédéric, 1999, " L' "hopital-entreprise" , une *self-fulfilling prophecy* avortée ", *Politix,* n° 46, p. 7-48.

Pollet Gilles, and Renard Didier, 1997, " Le paritarisme et la protection sociale. Origines et enjeux d'une forme institutionnelle ", *La Revue de l'IRES*, n° 24, numéro spécial Le Paritarisme. Institutions et acteurs, pp. 61-80.

Pouvourville (de) Gérard, 1994, " Organisation et régulation du système de soins en France ", in Bruno Jobert et Monika Steffen eds, *Les politiques de santé en France en Allemagne,* Espace Social Européen, n° 258, Observatoire européen de la protection sociale.

Problèmes économiques, 2000, *Retraites : des rapports aux réformes,* n° 2659, April 5th.

Quermonne Jean-Louis (ed.), 1999, *Vers des institutions européennes légitimes et efficaces*, Rapport au Premier Ministre, Commissariat Général du Plan, Paris, Documentation française.

Radaelli, Claudio, 2000, "Wither Europeanization? Concept stretching and substantive change", Paper presented to the Political Studies Association Annual Conference, London, 10-13 april.

Ralle Pierre, 1998, " Évolutions démographiques et retraites : éléments sur la réforme de 1993 ", in Conseil d'analyse économique, *Retraites et épargne,* Paris, La Documentation française, pp. 175-186.

Renard Didier, 1995, " Les rapports entre assistance et assurance dans la constitution du système de protection sociale français ", in MIRE, *Comparer les systèmes de protection sociale en Europe*. Vol. 1 : Rencontres d'Oxford, Paris: Imprimerie Nationale, pp. 105-125.

Reynaud Emmanuel, 1994, " Les différentes logiques de financement des retraites en répartition ", *La Revue de l'IRES*, n° 15, numéro spécial Les retraites complémentaires, pp. 125-140.

Rochaix Lise, 1995, " Le financement par les particuliers : la boite de Pandore ", *Revue d'économie financière,* n° 34, pp. 197-227.

Rupprecht Frédéric, 1999a, " Evaluation de l'efficience du système de soins français ", in Conseil d'Analyse Economique, *Régulation du système de santé,* Paris, La Documentation française, pp. 151-164.

Rupprecht Frédéric, 1999b, " Le marché du médicament: évolution depuis 1980 ", in Conseil d'Analyse Economique, *Régulation du système de santé,* Paris, La Documentation Française, pp. 165-177.

Schneider-Bunner C., 1995, "La justice sociale dans les systèmes de santé européens", *Futuribles*, septembre.

Schultheis Franz, 1996, " La famille, une catégorie du droit social ? Une comparaison franco-allemande ", in MIRE, *Comparer les systèmes de protection sociale en Europe*. Vol. 2 : Rencontres de Berlin, Paris: MIRE - Imprimerie Nationale, pp. 203-234.

Serré Marina, 1999, " La santé en comptes. La mise en forme statistique de la santé ", *Politix,* n° 46, p. 49-70.

SESI, 1986, " Les comptes de la protection sociale de 1959 à 1985 ", *Documents statistique,* n° 29, dec., Paris, Ministère des affaires sociales et de la solidarité nationale.

Soubie Raymond, Portos Jean-Louis, and Prieur Christian, 1994, *Livre blanc sur le système de santé et d'assurance-maladie,* Rapport au Premier ministre, Commissariat Général du Plan, Paris, La Documentation française.

Sterdyniak Henri, Dupont Gaël, and Dantec Alexis, 1999, " Les retraites en France : que faire ? ", *Revue de l'OFCE, Observations et diagnostics économiques,* n° 68, pp. 19-81.

Sterdyniak Henri, 1999, " Critique de rapport. Le débat sur les retraites en France ", *Revue de l'OFCE, Observations et diagnostics économiques,* n° 70, pp. 237-251.

Tixier Pierre-Yves, 1998, " La régulation au confluent des coalitions sociales et politiques : l'exemple de la structuration de "l'Etat social" français (1850-1950) ", *in* Commaille, Jacques, and Jobert, Bruno (eds), *Les métamorphoses de la régulation politique,* Paris, LGDJ, pp. 277-296.

The Economist, 1999, sep 25, "Labour's crusade".

Théret Bruno, 1996, “ De la comparabilité des systèmes nationaux de protection sociale dans les sociétés salariales : essai d’analyse structurale ”, in **MIRE**, *Comparer les systèmes de protection sociale en Europe*. Vol. 2 : Rencontres de Berlin, Paris: MIRE - Imprimerie Nationale, pp. 439-503.

Théret Bruno, 1997, "Méthodologie des comparaisons internationales, approches de l’effet sociétal et de la régulation : fondements pour une lecture structuraliste des systèmes de protection sociale", *L'année de la régulation*, Vol. 1, pp. 163-228.

Théret Bruno, 2000, "Theoretical Problems in International Comparisons: Toward a Reciprocal Improvement of Societal Approach and “Régulation” Theory by Methodic Structuralism", in *Embedding organizations. Societal analysisof actors, organizations and socio-economic context,* Marc Maurice and Arndt Sorge (eds), Amsterdam – Philadelphia: John Benjamins, pp. 101-115.

Théret Bruno, 2001, "La récente politique sociale de l’Union Européenne dans le miroir de l’union sociale canadienne", in *Die Zukunf des Sozialen in Europa – L’Avenir du Social en Europe,* Heinrich Henkel, Uwe Merle and Ernst Günter Schumacher (eds), Regensburg: Transfer Verlag, pp. 54-69.

Théret Bruno, 2002a, "The Canadian Social Union in the light of the new European Union’s social policies", in *2002, A new Social Union for Canada?,* S. Fortin, A. Noël and F. Sainte Hilaire (eds), Montreal, IRPP (forthcoming).

Théret Bruno, 2002b, *Protection sociale et fédéralisme : l’Europe dans le miroir de l’Amérique du Nord*, Bruxelles - Montreal, PIE - Peter Lang and Presses de l’université de Montréal, (forthcoming).

Titmuss Richard, 1974, *Social Policy*, London, Allen and Unwin.

Verdier Eric, 2000, “ Analyse sociétale et changement institutionnel : le cas de l’éducation et de la formation professionnelle initiale”, *Changement institutionnel et territoires*, in Tallard, Michèle, Théret, Bruno, and Uri, Didier (eds), Paris, L’Harmattan.

Volovitch Pierre, 1999, “ L’accès aux soins pour tous ”, *Alternatives Economiques*, n°169, avril, pp. 44-47.