

# OECD Economic Survey of France 2015

## Growth and jobs

Economic growth has been weak, and France needs further ambitious structural reforms. Reducing public spending to cut taxes, improving the functioning of the labour market, developing skills, increasing competition and making green growth a priority are the best strategy to raise growth and create jobs in the medium term.

### Growth has been structurally weak

Annualised real GDP growth per capita, per cent

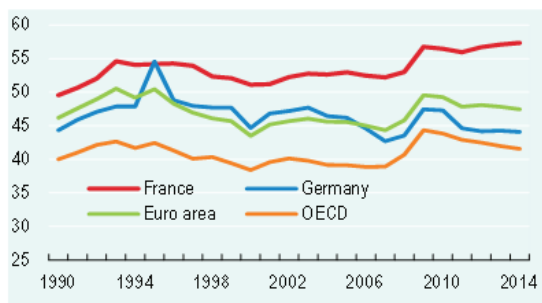


### Main findings

- High public spending leads to an excessive tax burden.
- The labour market remains inflexible.
- Training is lacking for the low-skilled and unemployed.
- Regulations are excessively complex and some of them inhibit competition.

### Reduce public spending over time

Government spending as a % of GDP

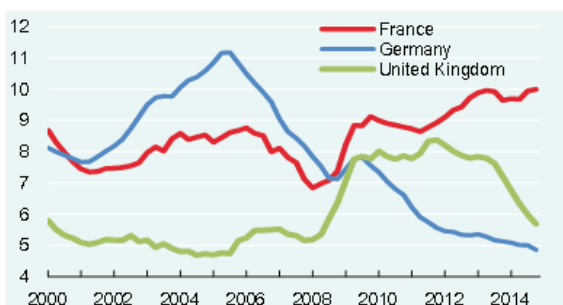


### Key recommendations to reduce public spending

- Rationalise the responsibilities of local governments and reduce their number.
- Better control health-care spending.
- Ensure a decrease in the public pensions-to-GDP ratio.
- Shorten the duration of unemployment benefits.
- Reallocate civil servants to match underlying needs.

### Implement structural reforms in the labour market

Unemployment rate (%)

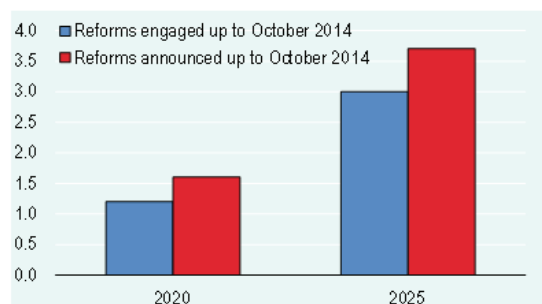


### Key recommendations to improve the labour market

- Simplify and shorten layoff procedures.
- Lower the tax wedge.
- Focus training on those who need it most.
- Ensure the quality of training programmes.
- Provide more apprenticeships already in high school.

### Boost competitive pressures

Impact of major structural reforms since 2012 on GDP (%)



### Key recommendations to raise growth

- Continue to simplify the business environment.
- Review the effects on competition of all regulations.
- Relax planning and opening restrictions in retail trade.
- Continue to open regulated professions to competition.
- Raise taxes on diesel to fight pollution.

<http://www.oecd.org/eco/surveys/economic-survey-france.htm>

