



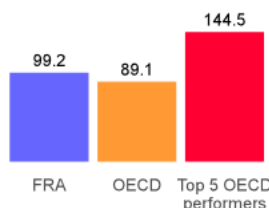
## Performance gaps

## Recommendations

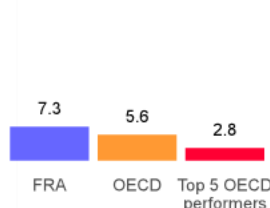
### Product and labour markets functioning

- The short supply of housing in fast-growing areas prevents greater housing mobility and employment, especially for young people.
- Tax expenditures are considerable and the effectiveness of some measures, such as tax exemptions for working overtime and household saving incentives, is weak.
- The quality of lifelong learning programmes is uneven, and the COVID-19 crisis halted the roll-out of quality labels for training bodies.
- Refocus the eligibility of housing-supply subsidies to the most densely populated areas.
- Allocate responsibilities of local infrastructure and urban planning to groups of municipalities to better address environmental and other spill overs.
- Streamline local government organisation by merging small municipalities.
- Reduce tax expenditure, in particular expenditure that does not benefit low-income households or measures that encourage excessive household savings.
- Ensure access to transparent information and effective monitoring of the quality of lifelong learning programmes, through strengthened counselling and regular evaluations of programme providers.

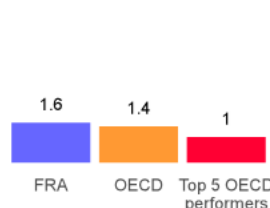
**Labour productivity**  
GDP per employee, USD  
2022



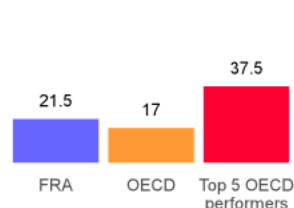
**Unemployment rate**  
%, 2022



**Product Market Regulation**  
**Economy-wide**  
From least to most restrictive  
Index of 0-6, 2018



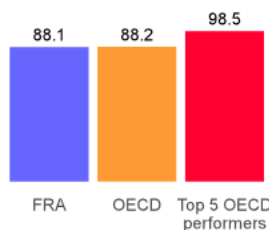
**Active labour market policies**  
**expenditure per unemployed**  
% of GDP per capita  
2020 or latest available



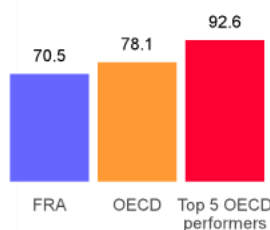
### Digital transition

- Digital infrastructure, notably the roll-out of superfast broadband and the use of e-government procedures have improved, but the take-up of digital technologies by small businesses remains low.
- A lack of training among managers and employees, and poor knowledge of support mechanisms act as a barrier to the take-up of digital technologies.
- Provide financial support for training in digital technologies for small businesses.
- Establish local one-stop shops providing a range of activities to support human resources practices in small businesses.

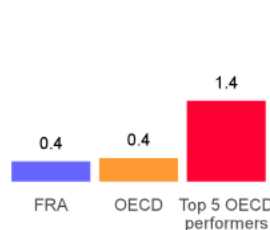
**Households with broadband**  
**Internet access at home**  
%, 2021 or latest available



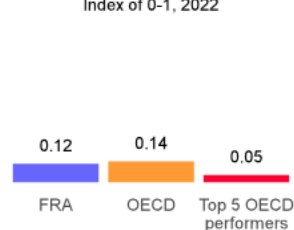
**Businesses with a website**  
**or home page**  
%, 2021 or latest available



**Business R&D expenditure**  
**in information industries**  
% of GDP, 2019 or latest available



**OECD Digital Services Trade**  
**Restrictiveness Index**  
From least to most restrictive  
Index of 0-1, 2022

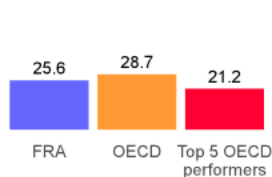


### Inclusiveness, social protection, and ageing

- Despite progress over recent years, the employment rate remains relatively low. In particular, the effective age of exit from the labour market is low.
- Improving access to good-quality early childhood education and lifelong learning are also essential to reduce inequality in opportunities, disadvantaged households having less access to formal childcare arrangements.
- Encourage a rise in the effective labour-market exit age, notably by increasing the minimum retirement age in line with life expectancy.
- Speed up the development of additional childcare services for low-income households and in disadvantaged neighbourhoods.
- Continue to reduce class size in disadvantaged neighbourhoods and promote innovative practices in teacher training to meet the different needs of pupils.

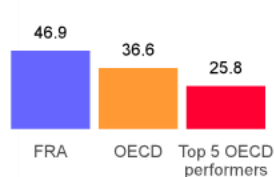
#### Mean poverty gap after taxes and transfers

Line at 60% of median disposable income  
2021 or latest available



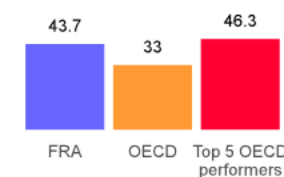
#### Impact of socioeconomic background in PISA reading score

%, 2018



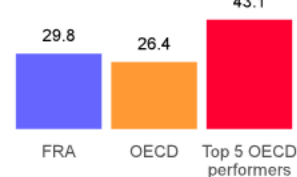
#### Strength of redistribution

Differences in Gini coefficients between market & disposable income relative to coef. on disposable income  
%, 2021 or latest available



#### Income levels provided by cash minimum-income benefits

% of median disposable income, 2021 or latest available

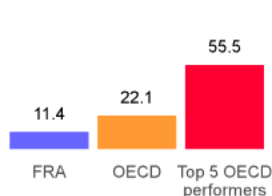


### Climate transition

- France's level of emissions is low. Yet, the pace of emission cuts must accelerate to reach its target of carbon neutrality by 2050. Carbon prices remain uneven across sectors.
- Some support schemes for building renovations do not encourage efficient energy renovations.
- Land take continues to increase.
- Progressively align carbon prices across sectors while resuming the gradual upward trend of the carbon component of energy taxes.
- Condition support schemes for building renovations on achieving minimum energy-efficiency standards and tighten controls on major projects to ensure energy-efficiency gains.
- Reform the planning tax to integrate a "bonus-malus" scheme to discourage land take and encourage densification.

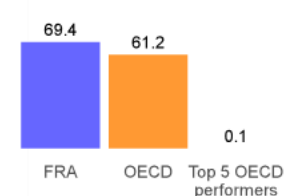
#### Share of renewables in the energy mix

%, Average over 2019-21 or latest available



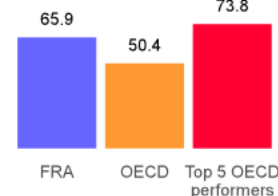
#### Share of population exposed to more than 10 µg/m3 of PM2.5

%, Average over 2017-19



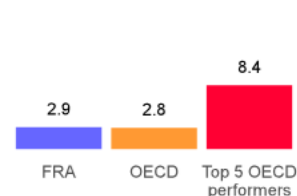
#### Carbon pricing score

%, at EUR 30 per tonne CO2, 2018



#### Environmentally-related government R&D budget

% of total government R&D budget, 2021 or latest available

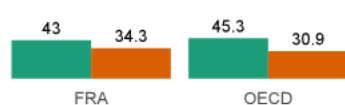


## Overall performance

#### Economy

Thousands USD per capita  
2022 or latest available

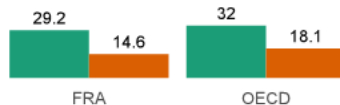
Gross Domestic Product  
Household gross adjusted disposable income



#### Inequality and poverty

2021 or latest available

Gini coefficient after taxes and transfers (index of 0-100)  
Poverty rate, line at 60% of median disposable income (%)



#### Environment and climate

1 unit of GDP, 2021

0.15 GHG emissions  
0.24 (OECD)

Welfare cost of premature deaths due to ambient particulate matter  
% GDP equivalent, 2019





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## Economic Policy Reforms 2023

Going for Growth

Access the complete publication at:

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