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1 Executive Summary

Important changes have been introduced in the French pension system during the last year. A reform of statutory pension schemes has been passed in the French Parliament, in November 2010. The most publicised outcome of the reform is the gradual increase of the statutory retirement age from 60 to 62 years by 2018. The reform includes a series of other measures such as a gradual harmonisation of contribution rates between the public- and private-sector schemes or the creation of a right to early retirement (from age 60) for workers with a partial incapacity to work. Some technical changes have also been introduced to promote the development of funded pension schemes. This reform had not been announced in the programme of the executive after the 2007 presidential and parliamentary elections. The reform is largely the result of the sharp increase in the public pension schemes' deficits following the economic crisis. The government has framed it as showing its determination to tackle the growing budget deficit. However, the idea of launching a new reform of the statutory pension schemes had been largely suggested by the social partners in an agreement they signed in 2009 concerning the PAYG supplementary schemes (AGIRC and ARRCO) that they manage for private-sector employees. Despite being shunned in the 2010 reform, the debate about the introduction of NDC is very likely to continue over the next few years and may be a central theme of the 2012 presidential and legislative elections. An amendment introduced by the Senate in the pension reform bill stipulates that a new discussion about pension reform is to be held in 2013. In an agreement signed in March 2011 in order to adapt the parameters of the AGIRC and ARRCO schemes to the reform of the statutory schemes, the social partners have also further harmonised the rules governing the two schemes. This may pave the way for their merger and their transformation into a NDC scheme in the future. In the medium term, the most important challenge for the French pension system remains the low employment rate of older workers. It remains to be seen whether the increase in the statutory retirement age will translate into an increased effective retirement age.

In health care, no important reforms have been decided in 2010 or 2011, but some new reductions in health care coverage have been decided in late 2010. With the reduction of health care coverage for the ambulatory sector, the access to primary health care is becoming more and more expensive, and the poorest face more and more difficulties. The existence of "free" complementary health insurance for the poorest (Couverture maladie universelle complémentaire) does not prevent people from difficulties in access since "denial" of access for those beneficiaries is still very common in France.

Concerning long-term care, the President had announced at the end of 2007 that a bill would be proposed to the Parliament early 2008 concerning the creation of a fifth social insurance branch, aiming at covering the loss of autonomy for the disabled and the elderly. The adoption of the bill relative to this fifth social insurance scheme ("*l'assurance cinquième risque*") has been postponed several times, first to October 2009, then to the first half of 2010. In February 2011, a national debate has been launched, which involves a six months consultation process with parties, trade-unions, associations, representatives from religious groups, etc.

2 Current Status, Reforms and the Political and Scientific Discourse during the previous Year (2010 until May 2011)

2.1 Pensions

2.1.1 The system's characteristics and reforms

The French pension system is characterised by a very high degree of occupational fragmentation. The largest scheme is the general private-sector pension scheme (the so-called *régime général*), which covers all wage-earners of the private sector (around 60% of the workforce). This first pillar provides basic defined-benefit pensions which are financed by social security contributions calculated as a percentage of gross wage (14.95% up to a certain ceiling and 1.7% without a ceiling in 2011)[1]. Benefits are calculated on the basis of the annual average wage of the 25 years of highest pay, of the duration of insurance as well as of a replacement rate which is itself dependent on the duration of insurance and on the age of the insured person (with a maximum rate of 50%). The minimum retirement age in the *régime général* is set at 60, but, following a reform enacted in 2010, it will increase by four months in July 2011. Starting from January 2012 it will increase by four months every year to reach 62 years by 2018. The duration of insurance required to get a full benefit is set at 163 trimesters in 2011 and will increase to 164 trimesters (or 41 years) in 2012. It will be increased to 165 trimesters in 2013 and will remain stable in 2014. Workers with long careers, i.e. those who started working between the age of 14 to 17 and who have a long contribution record (42.5 years), have the possibility to retire from age 58 and draw a full pension from the *régime général*. However, the 2010 reform has tightened eligibility for these schemes[2].
In addition to this statutory scheme, wage-earners of the private sector must also become registered with a mandatory supplementary pension scheme (régimes complémentaires obligatoires). Since the régimes complémentaires were established by collective agreements, social partners have an exclusive responsibility for their day-to-day management. Like the régime général, these schemes operate on a pay-as-you-go basis. Contributions are paid to independent pension institutions which have to comply with rules set by two federations managed by the social partners. The first federation, ARRCO[3], regroups all the institutions which subsidise complementary retirement benefits for all employees. The second federation, AGIRC[4], supervises pension institutions which finance supplementary pension benefits for managers (the 'cadres'). Thus, managers get different benefits and have to pay different contribution rates from other wage-earners. The supplementary schemes are so-called "point schemes." Participants in the schemes earn pension points based on their individual earnings as well as on a "price of the point"[5] in return for the contributions they pay into the system. The pension points are filed in the records of the pension manager during the participant's career and at retirement the supplementary pension benefit is calculated by multiplying the sum of the pension points by a "pension-point value"[6]. The value of the "price of the point"

1 http://www.urssaf.fr/employeurs/baremes/baremes/taux_des_cotisations_du_regime_general_01.html.
2 For a more detailed description of the changes in eligiblity, see http://www.retraites.gouv.fr/tout-savoir/retraite-anticipée-pour-carrières-longues. This scheme is called "retraite anticipée pour longue carrière".
3 Association des Régimes de Retraites Complémentaires.
4 Association Générale des Institutions de Retraites des Cadres.
5 See next footnote.
6 The pension benefit *P* is equal to the number of pension points acquired during the working period multiplied by the "pension point value" *PV*. Pension points are calculated by multiplying the reference wage *W* by the

and the "pension-point value", both of which determine the level of the pension received, are regularly modified by the social partners, after taking into account changes in the overall economic and demographic situation. During the past two decades, the pension point value was indexed to price inflation, while the "price of the point" was for a long time indexed above wage inflation, thus making the acquisition cost of ARRCO/AGIRC pension points much higher for current workers than it was for previous cohorts. According to a new agreement signed in ARRCO and AGIRC in March 2011, the value of the point will be indexed again to wages minus 1.5% and cannot increase by a lower amount than price inflation[7]. The same indexation mechanism will be applied to the evolution of price of the point between 2012 and 2015 for ARRCO and 2013 and 2015 for AGIRC. The agreement should result in a stabilised "rate of return" for workers. The 2010 agreement also adapts the retirement age in ARRCO and AGIRC, and harmonises it with the new rules applied in the statutory pension scheme.
The principles regulating old-age pensions are different for other categories of workers. Farmers (3% of the workforce) and the self-employed (12%) also receive a defined-benefit basic pension, calculated on the basis of an annual average income (instead of an annual average wage). However, the first pillar in these schemes is much more heavily subsidised by the state budget than the régime général. Since 2004, all the self-employed (including farmers) also have to pay additional social security contributions in order to receive a supplementary defined-contribution pension in the future.

The organisation of the pension system for public sector employees has traditionally differed considerably from private sector schemes, as generous retirement benefits have always been guaranteed by a single pillar. Each category of public sector employees (20% of the labour force) must join a specific pension plan. The degree of fragmentation along occupational lines is very high for these pension arrangements[8]. Although all pension arrangements have their own rules, they share significant characteristics. All of them are PAYG and offer defined-benefit pensions. Benefits are calculated on the basis of the wage earned during the last six months of the worker's career and the maximum replacement rate is fixed at 75%. Rights are acquired after a minimum contribution period of 15 years. While the length of insurance required to get full benefits is the same in civil servants' pension schemes as in the régime *général* (i.e. 162 trimesters in 2010), it continued to be lower for members of so-called *régimes spéciaux*[9] (154 trimesters in January 2010; 155 trimesters in July 2010[10]).

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contribution rate *CR* and by dividing these two elements by a "price of the point" *PP* whose value is changed regularly by AGIRC and ARRCO. The full pension is obtained at age of 60, but benefits can be drawn from age of 55 by applying a "reduction coefficient" *RC*, which depends on the retirement age and the total contribution period. The benefit formula can thus be represented as follows:

$$P = \left(\Sigma \frac{(W * CR)}{PP} \right) * PV * RC(\text{age, contribution period})$$

7 http://www.agircarrco.fr/fileadmin/agircarrco/documents/conventions_accords/2011/accord_18_mars_2011_agirc_arrco.pdf.

8 Civil servants and the military get benefits from the *Régime des Agents de l'Etat*, local government employees from the *CNRACL,* while people such as miners, rail workers, electricity and gas employees who are employed in state-owned firms or by the state are members of *régimes spéciaux*. Most of these schemes are managed directly by the responsible firm or organisation, while some of them are managed by an independent pension fund (CNRACL, miners, Opéra de Paris, Comédie Française, seamen, etc.).

9 i.e. special pension schemes covering people who are employed in state-owned firms or by the state – e.g. miners, rail workers, electricity and gas employees, Comédie Française, Opéra de Paris, etc.

10 As a result of the 2007 reform of the *régimes spéciaux*, the length of insurance will increase by two trimesters every year until December 2012 and by one trimester every year from July 2013.

The specific architecture of the French pension system has not left much space for the development of fully-funded pension plans. As all statutory benefits are earnings-related, be they provided by a single pillar or by two different pillars, pensioners have been generally able to maintain their income status. Coverage by different funded pension schemes has been steadily growing in recent years. According to the most recent available figures[11], approximately 800,000 people benefited and three million people contributed to individual retirement plans whereas occupational defined-contribution plans covered approximately 500,000 pensioners and four million workers in 2009.

Over the last few years, early retirement has become an important issue in French retirement policy[12]. Given its impact on the financing of the pension system, increasing labour market participation of the elderly has become a government priority. The 2009 bill on the financing of social security (*Loi de financement de la Sécurité Sociale - PLFSS- pour 2009*)[13] included a number of measures aiming at promoting longer working lives: a) increase in the pension bonus rate – *surcote* – to 5%; b) lifting of restrictions to the accumulation of remunerated employment with pension for pensioners aged 65 or more as well as on pensioners aged 60 or more who draw a full pension; c) increase to 70 years (previously 65 years) in the age at which private-sector companies can send a worker to retirement without having to ask for his or her consent; d) in order to force companies to negotiate on older workers' employment, introduction of a 1% contribution on the wage bills of companies that will not have reached an agreement by 2010. The 2010 bill on the financing of social security (*Loi de financement de la Sécurité Sociale - PLFSS- pour 2010*)[14] confirmed the last measure and introduced the 1% contribution for all companies employing more than 50 workers that did not reach an agreement by 31 December 2009. By May 2010, 163 companies employing more than 300 workers which had not reached an agreement or which had not introduced an action plan on the issue had been forced to pay the penalty imposed by the state[15] [16]. It has to be emphasised that no public early retirement schemes have been reintroduced during the crisis[17], although some companies have been setting up their own in-house schemes (e.g. Renault in November 2010).

2.1.2 Debates and political discourse

In 2010, political debates about the evolution of the pension system have been dominated by the parametric reform announced and introduced by the right-wing Fillon government. However, these changes have been made in the context of ongoing discussions about the

[11] ANDRIEUX Virginie, AUBERT Patrick, BARTHELEMY Nadine, CHANTEL Cécile, DUCOUDRE Bruno, LABORDE Charline, "Les retraités et les retraites en 2009", Etudes et Résultats, Drees, n° 757, April 2011, p. 3.

[12] For a presentation of the different pathways to early retirement, see PALIER, Bruno, NACZYK, Marek and MOREL, Nathalie, "Review of the National Strategy Report on Social Protection and Social Inclusion 2008-2010. France", October 2008, pp. 5-8.

[13] http://www.assemblee-nationale.fr/13/dossiers/plfss_2009.asp.
http://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000019942966.

[14] http://www.securite-sociale.fr/chiffres/lfss/lfss2010/lfss2010.htm.

[15] Les Echos, « Seniors. Cent soixante-trois entreprises de plus de 300... ». May 19th, 2010.

[16] A list of all branch-level agreements is available on: http://www.travail-solidarite.gouv.fr/emploi-des-seniors,599/1242,1242/dossiers,1243/liste-actualisee-des-accords-de,8650.html.

[17] According to economists Pierre Cahuc and André Zylberberg (2009: pp. 27-52), a new path to early retirement may be created by the introduction of the possibility to terminate job contracts by a mutual agreement between the employer and the employee (*rupture à l'amiable du contrat de travail*). This new regulation gives the worker the possibility to draw unemployment benefits as if he or she had been unilaterally fired by his or her employer. (CAHUC, Pierre and ZYLBERBERG, André (2009) *Les Réformes ratées du président Sarkozy*, Paris: Flammarion).

labour market participation of older workers and the possible introduction of a notional-defined contribution (NDC) system. These discussions have not been ended by the reform.

While a discussion about the introduction of a NDC system has been constantly on the agenda of the main stakeholders in the pension system since 2008 (see Annual Reports 2009 and 2010), President Sarkozy announced in June 2009 that the government would seek to reform statutory pension schemes in 2010[18]. This pension reform had not been announced in Nicolas Sarkozy's presidential campaign and in the subsequent legislative campaign in 2007. This new reform is largely the result of the sharp increase in the PAYG schemes' deficits following the financial crisis. The government made it clear that the aim of the reform would be to deal with these deficits, to demonstrate to the European Union France's commitment to reduce its budget deficit and to improve France's credibility on financial markets[19]. However, when the reform was announced in 2009, it was unclear whether the government would try to introduce a NDC system, as was debated since 2008, or if it would prefer to introduce parametric changes.

The government's intentions became clear at the beginning of 2010, when Prime Minister Fillon declared that a "paradigmatic" reform based on the introduction of a NDC system was "an utopia"[20]. The government preferred to focus on changes in parameters, the most important of which has been the statutory minimum retirement age[21]. The Senate started to prepare the reform as early as February 2010, by holding hearings with various stakeholders in the system[22]. However, the government launched official consultations with unions and employers associations in April 2010[23]. The minister of Social Affairs, Eric Woerth, said that the government was ready to discuss on all issues except on increases in taxes or social contributions. These consultations were preceded by the publication of renewed projections by the COR on 14th April 2010[24]. These projections, which took into account the impact of the crisis, showed that the borrowing requirements for the pension system would reach between 77% and 118% of GDP in 2050. The government presented its draft bill in mid-June and submitted it to Parliament in September. The final law was passed in Parliament in October 2010.

The main measures announced in the June 2010 draft bill included: an increase in the minimum statutory retirement age from 60 to 62 years by 2018[25]; an increase in the minimum age to get a full pension without a penalty from 65 to 67 years by 2023; an increase in the minimum contribution period to 41.5 years by 2010; the harmonisation of contribution rates between public-sector and private-sector statutory schemes within 10 years[26]; additional resources of EUR 3.7 billion through an increase in the highest income tax bracket from 40% to 41% and increased taxes on dividends, stock options and final-salary supplementary

[18] La Tribune, "Retraites: 2010 sera un rendez-vous capital, tout sera mis sur la table", June 23rd, 2009.
[19] Les Echos, "Nicolas Sarkozy hiérarchise ses dernières réformes", May 6th, 2010.
[20] Le Figaro, François Fillon : "Nous sommes déterminés à faire des efforts sans precedent", January 30th, 2010.
[21] Le Monde, "Retraites: le gouvernement privilegie l'allongement de la duree du travail", January 14th, 2010.
[22] http://www.senat.fr/commission/soc/mecss/index.html.
[23] Details of the consultation process can be found on: http://www.retraites.gouv.fr/la-concertation.
[24] CONSEIL D'ORIENTATION DES RETRAITES, "Retraites: perspectives actualisées à moyen et long terme en vue du rendez-vous de 2010", Huitieme rapport, April 2010 (see: http://www.cor-retraites.fr/article368.html).
[25] The Prime Minister and the Ministry of Finance pushed for an increase of the retirement to 63 years, but this option has not been chosen (see Les Echos, Réforme des retraites: intenses débats au sein de l'exécutif sur le nouvel âge legal, June 11th, 2010).
[26] Contribution rates were traditionally higher in private-sector schemes. Public-sector contribution rates were thus increased from 7.85% to 10.55%.

pensions offered mostly to senior executives in private companies[27]. The government also announced it would maintain the early retirement schemes for long careers, although the eligibility criteria would be changed[28]. Another measure on early retirement was the introduction of a right to retire at the age of 60 instead of the age of 62 for workers employed in "hard working conditions" who would have a "rate of incapacity to work" of 20%. Although a partial harmonisation of the benefit formula in public-sector schemes with that of the statutory private-sector schemes was initially suggested, the government did not include it in its project, most probably because it could prove too dangerous politically.

The government's emphasis on an increase in the statutory retirement age met the demands of France's main employers' association, the MEDEF, which had already pushed in 2009 for an increase in the retirement age during a negotiation between the social partners on the AGIRC and ARRCO schemes (see Annual Report 2009). For the MEDEF, an increase in the statutory retirement age would be the most powerful instrument to tackle deficits in the statutory schemes and would result in increased employment rates among older workers[29]. The limited increases in the resources for the PAYG schemes also met employers' demands, since they said they were opposed to any increases in taxes or social contributions[30].

Trade unions, on the contrary, all asked for additional resources. Most unions as well as the left-wing opposition were opposed to an increase in the retirement age, arguing that this would not solve the problem of a low employment rate of older workers. Unions also strongly criticised the increase in the minimum age for a full pension without a penalty, arguing that it would most strongly harm women, whose pensions are usually lower because of broken career records. The only union that signalled it could accept such a measure was the CFE-CGC, a union that represents cadres (managers, foremen and engineers), that is workers who usually start their working careers later because of their educational background. However, even the CGC opposed the overall project, arguing that it did not bring enough new resources for the PAYG system[31]. The CFDT also opposed the reform project. However, its opposition stemmed mostly from the fact that the government had refused to start a debate about a "systemic" reform through the introduction of a NDC system. Over the last few years, the CFDT has been increasingly in favour of introducing such a system. For the CFDT, increasing the retirement age was deemed unnecessary, given that with the introduction of a NDC system the retirement age could become flexible.

Because of their opposition to the reform, unions organised demonstrations in spring and during the summer, and strikes in the autumn when the bills were discussed in Parliament. Because of the mobilisation, the government made some concessions at the beginning of September. It accepted to decrease from 20% to 10% the "rate of incapacity to work" that would allow workers employed in "hard working conditions" to retire from the age of 60 instead of the age of 62. Another concession was announced in October, before the discussion of the bill in the Senate. The government accepted to maintain the right to a full pension without penalty at the age of 65 for around 130,000 mothers born before 1956[32]. However, no concession was made on the flagship measure of the increase in the statutory minimum

[27] Les Echos, Dividendes, stock-options: 3,7 milliards de taxes de plus l'an prochain, June 17th, 2010.
[28] Les Echos, Le maintien de la possibilité de départs précoces vise à adoucir la réforme, June 17th, 2010
[29] Les Echos, Laurence Parisot: « Nous avons été les premiers à lever le tabou », 12th, April 2010.
[30] Les Echos, Retraites: le gouvernement exclut d'emblée toute hausse importante des prélèvements, April 13th, 2010.
[31] La Tribune, Des marges de manoeuvre très étroites pour les organisations syndicales, June 17th, 2010.
[32] i.e. around 30,000 women per year between 2016 and 2020. The cost of the measure was estimated at around EUR 3.4 billion over seven years (Les Echos, Au Parlement, des concessions plus coûteuses qu'on ne croit, October 22nd, 2010).

retirement age. A last symbolic concession was made to the CFDT when an amendment was passed in the Senate, stipulating that a discussion about a pension reform should be held in 2013. This means that the discussion about the introduction of a NDC system is far from being over and may become an important issue during the campaign for the presidential and the legislative elections in 2013.

The 2010 reform of statutory pension schemes has had implications for the AGIRC and ARRCO schemes, i.e. the supplementary PAYG schemes managed by the social partners. In March 2011, the social partners have negotiated a new agreement on these schemes[33]. The social partners have agreed: to align the retirement age in the supplementary schemes with that of statutory schemes and to harmonise the "rate of return"[34] in the AGIRC with that of the ARRCO. In 2011, the rate of return was set at EUR 6.59 for each EUR 100 paid into ARRCO and 6.70% in AGIRC. The rate return has been regularly reduced by the social partners over the last two decades. However, with the new agreement, the social partners have decided to stabilise it between 2012 and 2015. The agreement also changes pension bonuses for mothers in the two schemes. While the AGIRC traditionally offered higher bonuses than ARRCO, the agreement harmonises these bonuses within the two schemes. Women with three children will get a bonus of 10% in both schemes. The bonus will be capped to EUR 1000 per year and will be counted according to the new regulations only for employment after December 31st 2011. Employers from the MEDEF also wanted to decrease widow(er)s' pensions by diminishing the theoretical replacement rate from 60% to 54% but abandoned the idea due to unions' opposition[35].

The agreement has been signed by employers and by three unions: the CFDT[36], FO and the CFTC. Two unions have refused to sign: the CGT and the CFE-CGC[37]. The CGT which traditionally had close links with the communist party refuses to condone the increase in the retirement age. Although the CFE-CGC was not opposed in principle to an increase in the retirement age, the cadres' union protested against the agreement[38], because, by harmonising rules between ARRCO and AGIRC, it opens the door for a future merger between the two schemes. The cadres' union has traditionally presided over the institution. Coverage by AGIRC directly defines the "cadre" status. Should the ARRCO and the AGIRC be merged, the specificity of the "cadre" status could be lost, and this could affect membership in the union. Beyond a possible merger between the two schemes, the agreement could also be interpreted as a step towards the introduction of a NDC system.

2.1.3 Impact of EU social policies on the national level

The public debate about the green paper about pensions has been to say the least very limited. A search on the *Factiva* business information website shows that only 21 newspaper or news

[33] Les Echos, Age de départ, niveau des pensions, bonifications pour enfants : ce que dit le projet d'accord, March 21st, 2011.

[34] This indicator is used by the social partners to assess the effects of changes in indexation mechanism. The formula is: value of the point/(price of the point)*(call-up contribution rate). For more details see Naczyk and Palier (2010) Complementing or replacing old-age insurance, Recwowe working paper, 08/10, http://www.socialpolicy.ed.ac.uk/__data/assets/pdf_file/0018/44082/REC-WP_0810_Naczyk_Palier.pdf.

[35] Les Echos, Agirc-Arrco: le Medef renonce à réduire les pensions des veufs et veuves, March 18th, 2011.

[36] http://www.cfdt.fr/rewrite/nocache/article/32892/salle-de-presse/communiques/communique-de-presse-n%C2%B022-du-28-mars-2011.htm?idRubrique=8990.

[37] Les Echos, CGT et CGC prêtes à s'opposer à l'accord Agirc-arrco, March 29th, 2011.

[38] For position of the union, see documents posted on its website: http://www.cfecgc.org/ewb_pages/div/Regimecomplementaire.php.

agency articles mentions the green paper[39]. The highest density of articles (seven in total) mentioning the green paper was published from July 6th to July 9th, that is at the time when the green paper was made public. Even though the green book was mentioned, the articles did not include any reaction to its contents from any of the key stakeholders in the pension debate. The most direct reaction to the green paper in French newspapers came from the lobby European insurers' federation (CEA – *Comite Européen des Assureurs*) who in the context of discussion about the Solvability II directive asked for a level-playing field in the regulation of funded pensions[40]. Discussions about Solvability II receive much more media coverage. A Factiva search shows that at least 779 articles have mentioned the directive over the past two years[41].

The Open Method of Coordination in the field of pensions also receives barely any coverage. However, comparisons with other European countries on indicators such as retirement age, employment rates of elderly workers, the level of non-wage-labour costs appear very frequently in the media and are also often used by the participants in the pension debate[42]. The French pension reform debates are thus certainly inspired by what happens abroad, as shown by the ongoing debate on the introduction of a NDC system. However, it remains difficult to assess to what extent the OMC contributes to it.

The most recent 2010 pension reform complies with the guidelines set by the 2020 Strategy. The French National Reform Programme attempts to emphasise that aspect, particularly by focusing on the increase in the statutory minimum retirement age which according to the government should increase the employment rate of older workers and reduce the deficits incurred by the PAYG schemes. However, the National Reform Programme largely focuses on measures that have already been legislated and does not propose a strategy for the next few years. This is because a major pension reform has been enacted at the end of 2010. A second reason may be because the current legislature will end in spring 2012 and a legislative and a presidential election are planned for that period.

2.1.4 Impact assessment

Given the announcement of a pension reform in 2010, the COR was asked to produce new projections on the evolution of the mid-term and long-term financial situation of the pension system. These simulations deliberately tried to take into account the effects of the financial and economic crisis on the pension system. The projections were published in April 2010, a day before the government launched consultations with the social partners. The report was based on the same demographic[43] and the same legal assumptions as the November 2007

[39] Factiva search made on May 13th, 2011 using the following keywords: "livre vert" AND "retraites" AND "commission". The search includes newspapers such as La Tribune, Les Echos, Liberation, Le Figaro, L'Humanite, etc. but excludes Le Monde. Using the same keywords, a search on Nexis UK shows that Le Monde has published only one article on the topic: Claire Gatinois, "La Commission ouvre discrètement le débat sur les fonds de pension", *Le Monde*, October 28th, 2010.

[40] Les Echos, "Solvabilité II: les fonds de pension en ligne de mire des assureurs européens", November 18th, 2010.

[41] The search was made on May 13th, 2011 using the keyword "Solvabilite II".

[42] See for example a report prepared in 2007 for the Conseil d'Orientations des Retraites which compares long-term projections on pensions in various European countries. http://www.cor-retraites.fr/article308.html. Or see also the country studies on various social security areas made for the Institut de Recherches Economiques et Sociales, an organisation that acts as a research centre for French trade unions (http://www.ires-fr.org/).

[43] Demographic assumptions are based on INSEE's (National Institute of Statistics) most recent demographic projections which date back to 2006.

projections[44]. This means that the COR projections did not take into account the effects of possible changes introduced in the pension system in 2010. However, the COR changed its economic assumptions and retained three different scenarios, which differ from each other on two variables, i.e. unemployment rates and productivity growth rates. In the "A" scenario, the long-term unemployment rate reaches 4.5% and productivity growth rate is set at 1.8%. In the "B" scenario, unemployment rates also reach 4.5%, but labour's productivity growth rate is set at 1.5%. Finally, in the C scenario, the long-term unemployment rate is set at 7% and the trend for labour's productivity growth is set at 1.5%. These three scenarios have been chosen "to illustrate the uncertainties that currently exist on the long-term perspectives of the economy after the crisis"[45].

COR's mid-term projections showed that the borrowing needs of the French pension system ("besoin du financement du systeme") would reach 1.7% of GDP in 2020 ("A" scenario), 1.9% ("B" scenario) or 2.1% ("C" scenario). This is a significant increase compared to COR's 2007 projections which predicted that the borrowing needs of the system (besoin de financement du système) would reach 1% of GDP in 2020. The largest part in the degradation of the financial situation of the French system was to occur in 2009 and 2010, because the estimated deficit of the French pension system was to reach 1.7 % of GDP (EUR 32 billion) in 2010. According to COR, this situation is largely explained by a drop in employment rates, and as a result by the decreased revenue perceived by pension schemes.

COR's new long-term projections showed that the borrowing needs would reach 1.7% of GDP in 2050 (i.e. EUR 72 billion) if the crisis has no long-term effects on growth and unemployment rates ("A" scenario). This results correspond to the COR's 2007 projections. However, if the crisis was assumed to have a long term effect on these two variables, the borrowing needs of the French pension system would reach either 2.7% of GDP in 2050 (i.e. EUR 103 billion – "B" scenario) or 3% (i.e. EUR 115 billion – "C" scenario). These results were based on the assumption that the "rate-of-return" in the AGIRC-ARRCO supplementary schemes (see section 2.1.2 for more information about the "rate-of-return" in these schemes) would remain constant. However, if the rate-of-return was assumed to decrease, the borrowing needs of the whole French pension system would be lower: 1% of GDP in the "A" scenario, 2% of GDP in the "B" scenario or 2.3% in the "C" scenario. However, a lower "rate-of-return" in these schemes also means lower benefit levels, which affects the adequacy of pensions.

While the COR's 2007 report also included projections about the evolution of replacement rates for standard private-sector workers (see Annual Report 2009), the 2010 report did not include new estimations of replacement rates. However, the report provided an indicator of the evolution of the relative purchasing power of old-age pensions compared to that of the average wages in the economy. According to COR, if one chose the year 2008 as a reference point (base 100), the ratio between the average net pension and the average net wage would decline by 6% ("A" scenario), 4% ("B" scenario) and 3% ("C" scenario) in 2020. In the long run (year 2050), the purchasing power of pensions relative to wages might decline by 23% ("A" scenario), 16% ("B" scenario), 15% ("C" scenario), assuming that the AGIRC-ARRCO "rate-of-return" remained constant. If this rate-of-return diminished, the ratio might even decline by 29% ("A" scenario), 21% ("B" scenario) or 20% ("C" scenario). These figures

[44] CONSEIL D'ORIENTATION DES RETRAITES, "Retraites: 20 fiches d'actualisation pour le rendez-vous de 2008", *Cinquieme rapport*, November 2007 (see: http://www.cor-retraites.fr/article321.html).

[45] CONSEIL D'ORIENTATION DES RETRAITES, "Retraites: perspectives actualisées à moyen et long terme en vue du rendez-vous de 2010", Huitieme rapport, April 2010 (see: http://www.cor-retraites.fr/article368.html).

show that the purchasing power of pensions relative to wages is set to decline in the future. The figures also show the crucial influence of the AGIRC-ARRCO pensions on the income of pensioners. Changes in the "rate-of-return" in these schemes – which are determined by the indexation of pensions – may have a strong effect on the income of future pensioners.

In May 2010, that is a month after the beginning of consultations, the COR published working papers with new simulations, taking into account the effects of an increase in the retirement age and of an increase in the minimum contribution period required to get a full pension. The simulations[46] showed that an increase in the retirement age would have a more potent effect on the reduction of pension schemes' deficits than an increase in the minimum contribution period. On the assumption that the minimum retirement age would be increased to 63 years[47], projected pension expenditure would be lower in the *régime général* by EUR 16.5 billion in 2030 (that is 48% of borrowing needs) and EUR 17.6 billion in 2050 (27% of borrowing needs). In the civil service pension scheme, the expenditure would be lower by EUR 1.9 billion in 2030 and EUR 0.6 billion in 2050, while it would be lower by EUR 6 billion in both periods for the ARRCO. In comparison to non-reform scenario, the level of benefits would increase by 1.7% in the *régime général*, by 1.5% in the civil service scheme and 2.9% in ARRCO assuming on constant rate of return. The level of benefits would increase because workers would work longer and thus contribute longer to the schemes.

Given the low employment rate of workers aged 55-64 (38.9% in 2009 compared to the 50% Lisbon Strategy target), research has continued to pay attention to the possible incentives to early retirement. Over the past decade, eligibility conditions for direct public early retirement scheme (*preretraite a financement public*) have been significantly tightened. In 2009, only 7,260 people entered such a scheme, that is 10 times fewer than a decade ago, and a 12% decrease compared to 2008[48]. The majority of beneficiaries of such programmes are men, although the gap between genders has increased during the last decade[49]. In 2009, 8% of unretired non-working people aged 55 to 59 benefited from a direct public early retirement scheme. 43% benefited from early retirement due to a long career and 49% benefited from unemployment insurance but with no obligation to actively search a job (dispense de recherche d'emploi). Between age 60 and 64, 92% of unretired non-working people belonged to this last category[50]. It must be noted, however, that the lifting of the obligation to search for a job has been gradually phased out since 2008 and will be entirely suppressed by January 2012[51].

Research also pays attention to the attitudes of older workers towards work and to the attitudes of employers towards older workers. The CNAV, i.e. the private-sector old-age insurance institution, has been polling new retirees on the reasons that motivate them to take up their pension[52]. A majority of new retirees in the private sector say they took up their pension as soon as they had such a possibility. Most often, they retired because they had met

[46] Conseil d'Orientation des Retraites, Variantes de durée d'assurance et d'âges de la retraite, http://www.cor-retraites.fr/article370.html.

[47] Conseil d'Orientation des Retraites, Variantes de durée d'assurance et d'âges de la retraite, document n°2 http://www.cor-retraites.fr/IMG/pdf/doc-1341.pdf, p. 13.

[48] DARES, "Les retraites publiques en 2010: dix fois moins d'entrees qu'en 1999", *Dares – Analyses*, nr 62, September 2010.

[49] *Ibid.*, p. 6.

[50] DARES, "Emploi et chomage des 50-64 ans en 2009", *Dares – Analyses, nr 39*, June 2010.

[51] http://www.travail-emploi-sante.gouv.fr/informations-pratiques,89/fiches-pratiques,91/chomage,125/la-recherche-d-emploi,1127.html#sommaire_2. Consulted on May 13th, 2011.

[52] DREES, "Les motivations de depart a la retraite: Premiers resultats de l'enquete aupres des nouveaux retraites du regime general", Etudes et Resultats, nr 745, January 2011.

the eligibility criteria to get a full pension or had reached the age of 60. The poll shows that pensioners have a weak awareness of the existence and the functioning of the "surcote" (pension bonus for deferred retirement) and "décote" (i.e. decrease in the level of the pension, if the worker retires before having reached the statutory retirement age or the length of insurance required to get a full pension). This result confirms previous research that showed the relatively limited effect of these instruments on retirement behaviour (cf. Annual Report 2010, p. 12). Research also shows that the attitudes of employers towards older workers are gradually improving. The perspective of an increase in the proportion of workers aged 50 or more in the next few years is less worrying for employers than it was in 2001. When employers express fears, they mention most often the cost of labour and to a lesser extent productivity[53]. Companies are increasingly introducing special plans for older workers in their human resources policy[54].

2.1.5 Critical assessment of reforms, discussions and research carried out

In the short and the medium term, the most important challenge for the French pension system is the low employment rate of older workers. An increase in the labour market participation of the elderly should improve the financial sustainability of the system. France did not reach the Lisbon strategy target of an employment rate of 50% for workers aged 55-64. This indicator reached 38.9% in 2009. However, when one disaggregates this indicator and examines separately the employment rates of workers aged 55-59 and 60-64, one can see that throughout the 2000s France has been close to the European average for the first indicator (58.3% for France compared to 60% for the EU-27 in 2009), while it has been underperforming on the second indicator (17% compared to 30.3%). The real challenge for France thus lies in increasing employment among workers aged 60-64. Efforts made by the government to suppress public early retirement schemes as well as the increase in the statutory minimum retirement age introduced by the 2010 reform may contribute to tackling this issue. However, this will depend on whether these measures will have a significant cognitive impact on employers. There is still uncertainty as to whether employers' attitudes towards older workers have really improved.

The recently legislated increase in the minimum retirement age may have a cognitive impact on employers and send them a signal that workers aged 55 or more are still valuable resources and that investing in their human capital can still be beneficial for the company. However, a crucial condition for the success of this strategy to activate elderly workers will lie in the improvement of the working conditions of older workers. The working environments should be improved to meet the specific physical and psychological needs of workers who are reaching the end of their career. Moreover, more should be done on the investment in the skills of elderly workers. These issues have been partly addressed by the plans on the employment of older workers that companies employing more than 50 workers have been forced to introduce at the behest of the government.

However, different signs suggest that employers' negative bias towards older workers may still be persisting. A recent survey conducted by the Towers Watson HR consulting firm among firms from the SBF120 index[55] showed that only 5% of these firms' HR directors consider that the increase in the retirement age from 60 to 62 years will be favourable for their

[53] DARES, "L'opinion des employeurs sur les seniors: les craintes liees au vieillissement s'attenuent", *Dares – Analyses*, nr 55, September 2010.

[54] DARES, "Emploi des seniors : pratiques d'entreprises et diffusion de politiques publiques", *Dares – Analyses*, nr 55, September 2010.

[55] The index is based on the 120 most actively traded stocks listed on the Paris stock exchange.

companies[56]. Moreover, during the economic crisis[57] but also following the 2010 reform[58], some big firms have continued to get rid of older workers, by extending private early retirement schemes. Finally, while the social partners were supposed to launch a negotiation on the employment of older workers in 2011, this has been shelved for the moment.

The existing structure of the French pension system and in particular the non-contributory minimum pension and the minimum pension for a full career have until now helped tackle the problem of poverty among pensioners. The government has decided to increase the value of the non-contributory minimum pension by 25% by 2012. However, this plan applies only to single pensioners, while couples have been left out. Nevertheless, the adequacy of pensions may become a major problem in the long run. Over the last two decades, pension reforms have increased the minimum contributory period required to get a full pension. Benefit levels are also increasingly linked to contributions. Official projections[59] assumed that future pensioners will have a 40 year contribution record at retirement. This seems relatively unrealistic for a growing proportion of workers who enter the labour market relatively late or are employed under temporary contracts. If the rise in the minimum retirement age does not result in an increase in the effective retirement age, future pensioners may have difficulties to reach the minimum contributory period required to be eligible for a full pension. This will be increased to 41¼ years in 2013. Given individuals' increasingly late entry on the labour market, high unemployment rates among youths and careers breaks due for example to maternity, this requirement may become increasingly difficult to reach for future cohorts of new retirees. The introduction of a NDC system may even compound this problem.

Given the general trend towards retrenchment in the PAYG pension schemes, complementary private savings plans may be expected to play a more important role in the future. The 2010 reform bill will certainly contribute to their expansion. Following the reform, 50% of the bonuses that workers get through profit-sharing schemes (*participation*) will automatically be transferred to their PERCO schemes (*Plan d'épargne pour la retraite collectif*), unless they decide otherwise. These are supplementary pension schemes opened by company level or industry level collective agreements. Until the 2010 reform, contributions to these schemes were entirely voluntary, but were supplemented by employer matching contributions. In 2008, only 444,000 workers had paid contributions into these schemes[60]. However, with the regulation introduced by the 2010 reform bill, participation in PERCO schemes should increase considerably. In 2007, approximately 44.4% of French workers benefited from profit-sharing (*participation*)[61]. These are overwhelmingly workers employed in large firms, which means that workers employed in small firms will be at a disadvantage. More should be done to encourage participation of workers employed in small firms in profit-sharing schemes and in the PERCO.

[56] Towers Watson, "Réforme des retraites : les entreprises prennent la mesure des conséquences de la réforme sur leur politique RH", http://www.towerswatson.com/france/press/4110. Consulted in May 2011.
[57] Le Monde, « Schizophrénie », August 29th, 2009.
[58] Le Figaro, "Renault met 3 000 salariés en préretraite", November 24th, 2011.
[59] CONSEIL D'ORIENTATION DES RETRAITES, "Retraites: 20 fiches d'actualisation pour le rendez-vous de 2008", *Cinquième rapport*, November 2007 (see: http://www.cor-retraites.fr/article321.html).
[60] DREES, "Les retraités et les retraites en 2008", *Etudes et résultats*, nr 722, April 2010, p.5 http://www.sante.gouv.fr/IMG/pdf/er722.pdf.
[61] DARES, "La participation, l'intéressement et l'épargne salariale en 2007: une hausse de 15 % des montants distributes", *Premières syntheses*, nr 31.2, July 2009, p.3 http://www.cor-retraites.fr/IMG/pdf/doc-1369.pdf.

2.2 Health Care

2.2.1 The system's characteristics and reforms

System characteristics[62]

In France, the supply of health care is partially private (primary or ambulatory health care, certain hospitals or clinics – around 20% of the beds), and partially public (80% of hospital beds, but very few primary health care centres). It guarantees the patient's free choice of doctor, as well as the status of the liberal practice of medicine. In France, ambulatory care includes both general practitioners and specialists. 49% of the doctors in the ambulatory care sector are specialists. The compartmentalisation between ambulatory and hospital medicine is very marked, with the risks of a lack of coordination, of redundancy or even of contradictions in treatment. The number of hospital beds remains high in France (7.1 hospital beds per 1,000 inhabitants and 3.6 beds for acute cases in 2007)[63].

Expenses are mainly assumed by the different health insurance funds and financed by social contributions and a specific tax, CSG (*Contribution Sociale Généralisée*). It is financed by 19 basic sickness insurance funds, among which the CNAMTS (*Caisse Nationale d'Assurance Maladie des Travailleurs Salariés* - National Sickness Insurance Fund for the Salaried Workers) is the most important one covering 80% of the population. Basic sickness insurance funds are compulsory but do not cover all the costs, and are thus complemented by mutual health insurances, private and facultative (85% of the French population has one).

To qualify for sickness insurance, the insured person must have worked a minimum number of hours in salaried employment during the period preceding the treatment. Each individual is supposed to be registered to the health insurance fund corresponding to his occupation. The coverage has been extended in 1999 to everybody by the creation of the CMU (*Couverture Maladie Universelle* – Universal Sickness Coverage), an income-tested health insurance. Sickness insurance covers the insured and his/her dependants (*ayants-droits*: spouse or common-law husband or wife, and children under 16, or 20 if they are still in full-time education or are disabled).

Cash benefits (*prestations en espèces* or *indemnités journalières*) are intended to compensate for loss of earnings because of inability to work due to sickness. They are paid as from the third day of sick leave (*délai de carence*) for a maximum period of three years. The *régime général*'s sickness cash benefits amounts to 50% of employees' gross wages up to a 'ceiling', and are regularly uprated (EUR 2,885 per month in January 2010). The level of wage replacement is supplemented either by the employers (depending on the result of collective bargaining) or by the complementary schemes (mainly *Mutuelles*).

Benefits in kind (*prestations en nature*) are delivered by the sickness insurance schemes through reimbursement for medical and pharmaceutical expenses, dental treatment, dentures, artificial limbs and so forth, and directly for hospital expenses. In ambulatory health care, provision is delivered on the basis of fee-for-service (*paiement à l'acte*). The fees for medical care and treatment are decided through agreement negotiated between the social security agencies (or funds) and medical practitioners' professional organisations.

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[62] This presentation of the system's characteristics is based on: Jean-Jacques Dupeyroux, Michel Borgetto, Robert Lafore, 2009, "Droit de la sécurité sociale", Paris, Dalloz-Sirey - Collection Precis dalloz (16th edition) and Bruno Palier, 2010, *La réforme des systèmes de santé*, Paris, PUF, Collection Que sais-je? (fifth edition).

[63] Source: OECD, Health data, 2009.

For medical and pharmaceutical expenses, the insured person initially settles the bill out of his/her pocket and is then partly reimbursed. Medical care and treatment are reimbursed at up to 65% of the charge in average. The remainder (co-payment), known as the *ticket modérateur*, varies between 20% and 60% of the total expense; it has to be paid by the patient. This system is supposed to encourage people to moderate their demands. However, complementary insurance *(Mutuelles)* very often reimburses the cost of the *ticket modérateur*. Today, 85% of people pay for a complementary health care insurance. A further 7% of the French population gets an income tested free complementary insurance (*Couverture Maladie Universelle Complémentaire*).

When inpatient care is required, the insured person pays a daily fixed amount to cover the cost of food and accommodation (*forfait hospitalier* = EUR 18 per day in 2010). Since 2008, public hospitals receive funding based on their activity (*tarification à l'activité*) from the Regional Hospital Agencies (*Agence Régionale de l'Hospitalisation)* and *the Sécurité sociale* to cover their medical expenses.

Reforms

Since the beginning of the 1970s, in France, health care expenditures have increased much faster than the economy grew. The first main response to this trend has not been retrenchment, but has long been to increase social contribution paid to health insurance funds. By the mid 1980s, increasing the social contribution appeared an economic dead end, and attempts were made to limit the growth of health insurance expenditure and to reduce the deficits of the health insurance funds. Cost containment policies in the French health insurance system have two main aspects: the introduction of a capped budget for health expenditures and a decrease in health risk coverage.

In the 1980s conventional negotiations between the government and medical professions took place, the Minister for Social Affairs tried to impose a 'global volume envelope' in order to try to link the growth of expenditure in ambulatory care to economic growth. This goal was accepted by the Sickness insurance fund (CNAMTS) which then negotiated with the medical unions in exchange for the creation of the so-called "sector 2" (*secteur 2*). Doctors in this sector are able to charge higher fees than those reimbursed by the sickness funds (on "over-billing", see next sections), the difference being paid directly by the patient. But only one medical union accepted this system. The biggest union was clearly against it. Because of this opposition, the global volume envelope was never implemented. In 1983 a global budget for hospitals was introduced in an attempt to control costs in this sector.

After the 1988 presidential election the new government, headed by Michel Rocard, wanted to negotiate regulation. This strategy also corresponded to a reorientation of regulation away from a financial to a medicalised logic, based on the medical evaluation of therapeutic activities. It was only introduced in the new convention signed in October 1993. An objective of cost growth was fixed (3.4%), as were "medical references". If a doctor did not conform with these therapeutic norms he could be penalised. But these changes were limited. The main point is that doctors could not be penalised automatically if the aimed fixed rate was overshot.

The limited effects of such negotiated cost containment policies in France explain the introduction of a capped budget for all health insurance expenditures in the 1996 reform (*plan Juppé*) which imposed an annual vote on national health spending objectives (ONDAM – *Objectif National de Dépenses d'Assurances Maladie* – National Target for Sickness Insurance Expenditures) on every sector of the health insurance system (ambulatory and hospital care).

Meanwhile, the public coverage of health expenditures has decreased between 1980 and 2010, from 79.4% to 76% in general, but more specifically on ambulatory care expenditure (see below), because of the reduction of reimbursement rates for patients and of the creation of direct patient co-payments for health care services (creation of the hospital flat rate co-payment in 1982, increases in patients' co-payment for medical consultation, drugs and medical analysis). The 2004 reform again raised the co-payment for patients: it planned to increase the hospital fee by EUR one per year until 2007. It has been increased again in 2010, up to EUR 18 per day. The 2004 reform also introduced a new EUR one co-payment for medical consultation that cannot be reimbursed by the Mutual insurances (called *franchise*), and it implemented de-reimbursement of drugs. Unless you are under acute care (and then almost fully covered), the level of patient co-payment was raised to 30% for medical consultation, to 40% for drugs and to 20% for hospitalisation. In 2008, new *franchises* have been created on drugs (EUR 0.50 per box), biological exams and transportation (EUR two per act and per transport).

If patients have to pay more out of their pocket, doctors have benefitted from increase in the value of their fees. In 2002, France's general practitioners (GPs) actually went on strike for higher fees (EUR 20 per consultation). The raising of the fees was accepted by the new Minister for Health, at a time when the deficit of the health insurance system was already growing! Since then, the fees for doctors have been regularly increased, to reach the level of EUR 23 per consultation for generalists in 2010, and EUR 27 for the specialists in 2010. The most recent example being that in 2010, a strike has been organised by the general practitioners, who then obtained the most recent increase of their fees (form EUR 22 to EUR 23).

Beyond trying to control costs, the governments have also tried to reorganise the French health care system. In 2004 a new law on health insurance was voted by the French Parliament in a context of a huge deficit of the health insurance system (EUR 10.6 billion in 2003, EUR 11.6 billion in 2004; EUR 8.3 billion expected for 2005). This reform embodied no new constraint for doctors (for their activity, for prescriptions or for installation) and gave specialists the right to get higher fees when patients consult them directly, without being addressed by a GP. The main effort was again being asked from patients, in the form of raising co-payments and taxes, and asking them to choose a *médecin traitan* (regular treating Doctor) and see him/her first before doing anything else.

In France the 1996 reform made it possible for GPs to act as gatekeepers for patients who agree to contract with them (*médecins référents*). However this system was replaced by another (*médecin traitant*) in 2004, geared to making GPs the "drivers" of patients in the health system. All French insured persons now have to choose their *médecin traitant* (it is usually a GP, but it can be a specialist). It will cost them more if they consult a specialist directly without being addressed by their main GP. In 2010, the health insurance funds was only reimbursing 30% of the consultation fees when the visit to doctor was not authorised by the *médecin traitant*.

In the hospital sector, one sees trends of managerialisation of the hospital sector and the creation of new state agencies. In France this managerialisation process began with the 1991 law. The purpose of the law was to make hospital regulation take into account the real activity of hospitals (importing into France the "Diagnosis Related Group" method from the US). With this reform each hospital's budget was to depend upon an evaluation of its activity and its prospective development, both to be negotiated with the State. Since the beginning of the 1990s, two new tools for evaluation have been introduced: the "Programme of Medicalised Information Systems" (geared to evaluating the activity of each hospital and to introducing

payment systems based on diagnosis related groups) and "Medical References" for ambulatory care (containing therapeutic norms and norms for prescription). The 1996 reform further promoted and generalised the evaluation of therapies in the health insurance system with the creation of a National Agency for Accreditation and Evaluation in Health (ANAES), recently incorporated within the new top authority on health (*Haute Autorité en Santé*) created in 2004. Regional hospital agencies (*Agences Régionales d'Hospitalisation*) have also been created to distribute budgets between hospitals, based on an evaluation of the performance of every hospital. These agencies also have the right to close inefficient hospitals after an accreditation enquiry.

The law entitled *Hôpital, patients, santé, territoires* (Hospital, patients, health and territories - HPST), presented by the government at the end of 2008 and was finally adopted in July 2009 is a continuation of this decentralisation and regionalisation trend, as well as managerialisaiton of hospital trends. This law lead to the creation of Regional Health Authorities (*Agences Régionales de Santé*) as of 1 April 2010, in charge of directing and coordinating health policies at the regional level, and to give more power to the hospital directors (this latter point being fiercely criticised by the medical profession, and being progressively amended by the government during parliamentary debates). The idea is to reenforce the power of the hospital director, in order to better support a coherent policy and a better articulation between the various establishments (public and private) on the same territory. In the same direction, Regional Health Autorities (*Agences Régionales de Santé*) have been created to be in charge of the health policy at the regional level. They should coordinate and improve prevention policy; they should control and improve the territorial distribution of health professionals and try to better articulate ambulatory care and hospital. They would also be in charge of the control of the quality of health care by collecting data on health and by improving professional practices. Brought under the authority of a new pilot of health policies to the regional level (with the image of a "prefect" of health), joining together various local administrations, the objective is to set up a true coherent policy of health at regional level, including guaranteeing equal access to health care, a better effectiveness of the expenditure or a better distribution of professionals on the territory. It took a long time to adopt this law because of the various protests by the medical profession, especially opposed to the attempt at restricting their freedom of settlement, or to the empowerment of hospital directors (who are not doctors but civil servants).

In June 2009, the main health insurance fund (CNAMTS), for its part, has proposed an important new modality of pay for GPs, with the establishment of the contract for improvement of individual practices (CAPI), adopted in late 2009 by one third of doctors concerned. The contract is supposed to promote premium payment based on performance. In this frame GPs are being rewarded with a bonus of up to EUR 7 per patient if they achieve the objectives set in an agreement in compliance with following the recommendations formulated by the High Authority for Health: Vaccination against influenza for persons of more than 65 years, screening breast cancer for women over 50 years, increased generic prescriptions and better monitoring of chronic diseases (diabetes and hypertension).

In 2010, there has not been any important reform of the French Health care system, since the most important reform was adopted in 2009 (*loi HPST* and since the government was concentrated on the pension reform (see above). However, since the sickness insurance funds deficit are still high (more than EUR 11 billion in 2010) and prediction were gloomy, some financial measures have been decided in late 2010 within *Loi de Financement de la Sécurité sociale*. There are:

- a decrease of 35% to 30% reimbursement of medicines so-called "blue labels" medicines for minor illnesses and whose medical record (SMR) is considered less important;
- a decrease in the level of support for medical devices (medical equipment or other items to the exclusion of drugs: implant, prosthesis, surgical instrument ...) by 65% to 60%. A measure which does not include medical devices used for serious diseases (devices implanted in the hospital, wheelchairs...) which will be reimbursed at 100%;
- a reassessment of the threshold fixed contribution (co-payments of EUR 18) for hospital acts more expensive than EUR 120 [64].

All these measures mean a further increase in co-payment for patients. In the meantime, an increase in the doctors' fee has been confirmed and implemented as of January 1st 2011: from EUR 22 to 23 per consulation.

Finally, a new legislation is currently discussed in Paliament, *Loi Fourcade*, which amends the *Loi HPST*. The main measures (still to be passed by the Parliament) aims on the one hand to better provide the juridical base for *Maison de Santé* (Health centers) in order to develop medical collective practice, but also to better protect doctor's freedom (medical secret, freedom of installment, no penalties for not helping areas where doctors are lacking etc.)[65].

2.2.2 Debates and political discourse

As already mentioned, the health care system has not been at the core of public debates on social protection in late 2010 early 2011 since the public debates has been first occupied by the pension reform (debate in Spring 2010, political debate following the Parliamentary debate in Fall 2010). Second, in early 2011, the government has launched a national debate on Long-term care, which is focusing a lot of public attention.

Since late 2010, most of the experts' debate is about the implementation of *Loi HPST*. Many publication wonder whether this reform will indeed change the nature of the French Health care system and whether the rigth instruments have been chosen. More specifically, one innovation is the focus of attention: *Agences Régionales de Santé*, which imply a decentralisation of Health policies at the regional level. Most of the deate is kept to specialists and is quite speculative since 2011 is only the first year of implementation of *Loi HPS*, since ARS are only in their beginning[66].

In Spring 2011, a debate re-emerged on the increase in overcharging – *dépassements d'honoraires* (the fact that more and more doctors ask for a fee higher than the tariff re-imbursed by the sickness funds). The National Sickness Fund has published a study that shows that the number of doctors overcharging medical fee is increasing, as well as the amount of overcharge which is asked to the patients: the average level of extra fees charged by medical specialists of sector 2 has doubled in 20 years from 25% of the conventioanl tariff in 1990 to 54% in 2010, demonstrates Dominique Polton, director of strategy, studies and Statistics of the National Fund. The total overrun was estimated at EUR 2.5 billion in 2010, representing 12% of the total fees charged by all doctors. Overall, the proportion of doctors working in sector 2 has stabilised in the 2000s, with contrasting trends between GPs (down) and specialists (+ 4 points). Finally, the recent flows of new doctors indicate a strengthening of sector 2 to come with more than 6 out of 10 medical specialists moving into this sector in

[64] http://www.gouvernement.fr/gouvernement/plfss-2011-notre-politique-d-assurance-maladie-garantit-un-acces-aux-soins-de-haut-nive.

[65] http://www.assemblee-nationale.fr/13/dossiers/modification_loi_hpst.asp.

[66] See TABUTEAU (D.), Du plan Seguin à la loi HPST: les évolutions de la politique de santé. Les vingt ans des économistes de la santé. SEVE: LES TRIBUNES DE LA SANTE 2010/09 Numéro spécial: Hors-série.

2010. The proportion of specialists working in sector 2 is highly variable according to the department, as are rates of overcharging. Faced with this "excessive development" in sector 2, which poses a problem of access to care, the French National Sickenss insurance Fund wants to sound the alarm on the need to implement structural reforms[67].

2.2.3 Impact of EU social policies on the national level

As amply demonstrated by research, there is no explicit references to EU social policies when reforming French health care, despite some orientation of reforms that fit the OMC guidelines (see below, critical assessment)[68]. One can however signal that the government is emphasising the budgetary constraints to explain its Sickness insurance policies. These budgetary constraints are partly to be associated with the Gorwth and Stability Pact.

2.2.4 Impact assessment

Next to future financial problems to come, inequalities in health are still also a major problem for the French health care system. France has a very high social gradient in health. As a study published by the French institute for statistics (INSEE) in 2005 has shown, life expectancy at the age of 35 years is seven years higher for male white-collar employees (*cadre*s) than for male blue-collar workers. If this gap is lower and stable among women, it has increased among men over the last 15 years[69]. Recent research confirm these data. As explained below, these recent research identify the organisation of the health care system and its reforms as one of the cause of inequalities in health[70].

This increase can partly be explained by the health care financial reforms. In order to ensure the financial viability of the system, all governments since the 1990s have decided to limit and diminish the re-imbursement guaranteed by compulsory health insurance, thus leaving more costs to be covered by French patients. This has given a growing importance to out-of-pocket payments, which are partly covered by the voluntary/complementary health insurances. As shown by IRDES, complementary health insurance covers 12.9% of the expenditure, and 9.1% of the costs remain to be paid by the insured. However, only 84.9% of the French population are covered by a complementary scheme, 7.4% are covered by the complementary universal sickness scheme (CMUC) and 7.7% do not have any complementary insurance[71]. The remaining ones are to be found among low income groups. As shown by the French Observatory on inequalities (*Observatoire des inégalités*), 10% of workers and employees of small companies do not have complementary health insurance (*mutuelle*) and 22% of the poorest do not have such insurance, whereas the rate is at 7.7% for the whole population. Among the persons living under the poverty rate (60% of median income) and being under the age of 50, 21% have not seen a doctor during the year before, whereas the rate is 17% for the rest of the population. 53% of the poorest did not consult a

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67 http://www.ameli.fr/fileadmin/user_upload/documents/DP_medecins_en_secteur_2_-_vdef.pdf.

68 See Caune, H., Jacquot, S., Palier, B., 'Boasting hte National Model' in *The EU and the Domestic Politics of Welfare State Reforms. Europa Europae*, Jacquot, S., Graziano, P., Palier, B., Palgrave, 2011, forthcoming.

69 INSEE PREMIERE, 2005, "Les differences sociales de mortalité" ,juin, numéro 1025.

70 See Fassin D., Bataille P., Herbert C. et al., *Lutter contre les inégalités sociales de santé: politiques publiques et pratiques professionnelles*. Rennes: Presses de l'EHESP, 2008; Or Z., Jusot F., Yilmaz E., The European Union Working Group on Socioeconomic Inequalities in Health (2009), "Inégalités sociales de recours aux soins en Europe: Quel rôle pour le système de soins? ", *Revue Economique*, 60, 2: 521-543 and HADA F., RICARDO C., TOURAINE M-S., *Les inégalités face à la santé.* Paris: Fondation Jean Jaurès: 2009: 71p.

71 IRDES, "L'Enquête Santé Protection Sociale 2006, un panel pour l'analyse des politiques de santé, la santé publique et la recherche en économie de la santé", *Questions d'économie de la santé*, numéro 131, avril 2008.

specialist, whereas it was only 40% for the rest of the population[72]. These data indicate a postponement (and sometimes even renouncing) of access to health care system in France for the poorest, despite the implementation of the universal sickness scheme (CMU). Recent studies reported also by the *Observatoire des inégalités* show moreover that a lot of doctors refuse to treat patients with CMU, mainly because they cannot overcharge them (implement a "*dépassement d'honoraire*").

The measures decided in 2010 aimed at further increasing co-payment as well as the trend to increased *dépassement d'honoraies* can only re-enforce these traits whereby the most needy have not the same access to health care than the rest of the population.

Another critical issue in the access to health care is the fact that the distribution of doctors is very uneven on the French territory, as this has also been pointed out several times by the High Council for the future of Health Insurance *(Haut Conseil sur l'Avenir de l'Assurance Maladie)*. The density of liberal specialists is 88 for 100,000 inhabitants in France, but only 34 in the *Département* Lozère and 244 in Paris[73]. This is partly due to the fact that in France, doctors can settle where they want, with no regulation. In 2006, the Government announced in the media his intention to develop a way to refuse installation where too many doctors were already settled, but doctors apprentices went on strike and the Government withdrew his proposal. Within the new law *Hôpital, patients santé et territoire*, the government was planning new forms of incentives for doctors to settle in cities and regions which are lacking of doctors. However, due to protest by the medical profession, the government has again withdrawn any coercive measure as reported above.

2.2.5 Critical assessment of reforms, discussions and research carried out

As shown with the strong debate and lobbying around the law *Hôpital, patients, santé et territoires*, the main critique to be made on the recent French reforms of the health care sector is the ongoing absence of capacity of the State to regulate the sector against the will of the medical profession. As mentioned in section 2.2.2, when it was presented the law contained a lot of orientation fitting with the objectives agreed in the OMC (better distribution of doctors over the territory to improve equality of access, limiting overbilling to restrain financial discrimination, empowerment of hospital directors and creation of regional health agencies to improve the coherence and consistency of health policies, better coordination between ambulatory and hospital care, improved prevention…). However, during the long lasting discussion of this law (which started in February 2009 and finished in July 2009), the medical professions organised several strikes in hospitals, mass demonstrations and intense lobbying, so that on the 12th of May, the French President, Nicolas Sarkozy, felt obliged to announce many concessions to the medical professions (such as a weakening of the future power of the hospital directors), that all undermine the main innovation within the law.

Of special importance is the incapacity to improve equal access to health care in the French system. Inequalities in health are one of the major drawbacks of the French health care system, but it does not seem to be preoccupying so much the government since no serious attempt to overcome these have been implemented, and all the little efforts planned within the Law *Hôpital, patients santé et territoires* have been withdrawn under the pressure of the medical profession.

As stated in the previous section, these inequalities are partly due to the increasing role of the private complementary health insurance, not accessible to all. The publicly funded scheme to

[72] OBSERVATOIRE DES INEGALITES, (http://www.inegalites.fr/).
[73] Haut Conseil pour l'Avenir de l'Assurance Maladie, premier rapport, janvier 2004.

compensate for the lack of a complementary health insurance (CMU see above) is not preventing discrimination and inequalities in access to health though.

Indeed, various tests and studies[74] accomplished under the authority of the *Fonds CMU* have shown that doctors who are allowed to overbill their patient (charging a fee which is higher than the standard fixed tariff reimbursed by the health insurance fund) tend to deny access to their practice to CMU holders. A test implemented by the fund in charge of the financing of the CMU has shown that 41% of the specialists and 39% of the dentists (most of them practicing over-billing), refuse to treat patients covered by the universal sickness scheme (CMUC) since they cannot overbill them[75]. Overbilling has become a major phenomena in the French health care system. A report elaborated by the General Inspectorate of Social Affairs (IGAS) in the year 2007 shows an important increase in the practice of over-billing in the past 10 years and which has shown that out of around EUR 18 billion of fees paid to doctors in the ambulatory sector, more than EUR 2 billion are due to the practice of overbilling[76]. Here again, the government planned to try to limit overbilling by creating a formal and better controlled sector were overbilling would be accepted but regulated. Under the pressure of the medical profession, all regulation has been postponed until 2013.

The other pitfall of the dominance of the medical profession over the health care policy decision-making is that all measures aimed at guaranteeing the financial sustainability of the French system add on the burden of the patients (increase of franchises and co-payment, increasing role of private health insurances) whereas many attempts at regulating the supply of health is opposed by the professions. As mentioned already, in April 2010, general practitioners went again on strike, and obtained a new increase in their fees, without any counter concession. The most recent example given by this is the currently discussed *Loi Fourcade*, proposed by a Senator, Jean-Pierre Fourcade, which is currently discussed in Parliament, and which is undoing many of the organisational aspects of the *Loi HPST* that the medical profession dislikes.

2.3 Long-term Care

2.3.1 The system's characteristics and reforms

French public provision for the long-term care needs of the dependent elderly and the disabled relies on a two-pronged system. On the one hand, the health insurance scheme covers the cost of health care provided in an institutional setting to the dependent elderly or to disabled patients. It also finances long-term care units in hospitals, as well as nursing care provided in the patient's home. Such health care costs are paid for directly by the health insurance scheme, i.e. patients do not need to advance the money themselves.

On the other hand, two schemes, essentially financed by the State and by local authorities, provide social benefits to the dependent elderly and to the disabled to help them meet some of the cost of care that is not covered by health insurance, whether that care is provided in institutions or in a domiciliary setting.

For the disabled, a new benefit came into force in January 2006, called the *Prestation de Compensation du Handicap – PCH –* (Disability compensation benefit) which aims to better

[74] Fonds CMU, DIES, 2006, "Analyse des attitudes de médecins et de dentistes à l'égard des patients bénéficiant de la Couverture Maladie Universelle complémentaire".

[75] Fonds CMU, DIES, 2006, "Analyse des attitudes de médecins et de dentistes à l'égard des patients bénéficiant de la Couverture Maladie Universelle complémentaire".

[76] IGAS, 2007, "Les dépassements d'honoraires médicaux"rapport, avril.

cover the needs of the disabled whatever the causes of the disability and the age or life-style of the person. This benefit is intended to help cover the needs of the disabled person regardless of whether those needs have to do with professional insertion, home adaptation, human and technical aids, etc. This benefit replaces the previous ACTP (third person compensatory benefit) although those who already received the ACTP can continue to remain under that scheme if they so wish.

End of June 2009, 71.700 people were receiving the PCH, compared to 43,000 in 2008, which represents a 67% increase over a year. This sharp increase can be attributed both to the fact that some people who previously were covered under the ACTP scheme transferred to the PCH benefit, as well as to the fact that this new benefit is open to a larger category of people than the former ACTP scheme (the ACTP was only open to people over the age of 20, whereas the PCH can also be claimed by children regardless of age). Average spending per beneficiary is EUR 980 per month (DREES, 2009[77]).

The dependent elderly can receive the Allocation Personnalisée d'Autonomie – APA (Personalised Autonomy Benefit) which is a universal benefit for people over 60 that came into force in 2002. This benefit is calculated based on a "help plan" designed for each individual, on the basis of the assessment of the person's needs. The APA benefit is intended to cover part of the cost of the "help plan", the rest (about one quarter of the total amount on average) is paid by the beneficiary through user fees which increase proportionally to the elderly's income. Elderly people with an income below EUR 689.50 per month do not pay user fees. The benefit amount thus varies both according to the person's level of dependency (established by a socio-medical team, using a nation-wide unified grid – the AGGIR grid – which identifies 6 levels of dependency, with only the first 4 levels being taken into account for the granting of the APA benefit) and according to the elderly's financial resources.

At the end of June 2009 there were also 1,117,000 recipients of the APA benefit. 61% of APA beneficiaries lived at home, and 39% in special accommodation for the elderly. The average amount of the help plan granted to people receiving domiciliary care was EUR 494 per month, of which about a quarter (EUR 120 on average) was covered by user-fees. The amount of the help plan varies according to the level of dependency from EUR 348 to EUR 1,009 per month (DREES, 2009[78]).

The fast increase (partly unforeseen) in the number of APA recipients since it came into force in 2002 (when there were only 469,000 beneficiaries) has put a strain on public finances, especially for the départements who finance over two thirds (72%) of the cost of the APA, the rest being covered by the National Solidarity Fund for Autonomy – CNSA.

Today, altogether EUR 22 billion are spent on long-term care and population ageing is set to increase this figure even more. In light of the current financial constraints and forecasted increase in financing needs, the government has been planning to reform the long-term care system for some years now, but so far no reform has been implemented.

2.3.2 Debates and political discourse

The President had announced at the end of 2007 that a bill would be proposed to the Parliament early 2008 concerning the creation of a fifth social insurance branch, aiming at covering the loss of autonomy for the disabled and the elderly. A senatorial information

[77] DREES, "L'allocation personnalisée d'autonomie et la prestation de compensation du handicap au 30 juin 2009", Etudes et Résultats, n°710, novembre 2009.

[78] Ibid.

mission was set up in order to follow up on the preparatory work around this proposed scheme. The senatorial mission published its report in July 2008 (the 2008 Vasselle Report). However, the adoption of the bill relative to this fifth social insurance scheme ("l'assurance cinquième risque") has been postponed several times, first to October 2009, then to the first half of 2010.

Two new reports, one to the National Assembly (Rapport Rosso-Debord 2010[79]) and one to the Senate (Rapport Vasselle 2011[80]) have underpinned the debate around long-term care reform over the past year.

The 2010 Rosso-Debord report from the Commission on Social Affairs to the National Assembly focuses mainly on the issue of the financing of long-term care, and this for the dependant elderly exclusively. While the commission behind this report emphasises the need not to renounce the principle set out in 2004 to work towards a convergence of policies to compensate people in the case of loss of autonomy independently of age, it considers that the 2008 financial crisis has rendered impossible any attempt to reach such a convergence for the time being.

The Rosso-Debord report sets out 17 proposals, six of which dealing specifically with the issue of financing:

1. To set up, for the APA claimants who have assets above EUR 100,000, an option to choose between a benefit reduced by half but which does not allow the State to reclaim the cost on the beneficiary's inheritance, or a full benefit which can be reclaimed on the beneficiary's inheritance up to a mixum of EUR 20,000.

2. To make compulsory from the age of 50 the purchase of an insurance covering the loss of autonomy linked to age and to insure its progressive universalism by mutualising contributions and creating a guaranteed fund.

3. To review the rate of the generalised social contribution (CSG) that is applicable to retired people in order to achieve a greater progressivity of these rates according to pension levels, and to apply a rate of 7.5 % to the highest pension levels[81].

4. To progressively get other professions so far exempted from the autonomy solidarity contribution[82], to contribute to this fund depending on their income level.

5. To grant the APA benefit only to the most dependent people, i.e. only to people who have been evaluated as falling into levels 1, 2 and 3 of the AGGIR-grid[83].

6. To ligthen the fiscal regime applicable to life annuities when these are destined to cover the cost of a loss of autonomy.

The proposals to make compulsory the purchase of an insurance covering the loss of autonomy and that of increasing the rate of the generalised social contribution are two different financing options which the government should choose between. The idea of

[79] Rosso-Debord, Valérie (2010), Rapport d'information déposé par la commission des affaires sociales en conclusion des travaux de la mission sur la prise en charge des personnes âgées dépendantes, Assemblée nationale, n°2647, 23 juin 2010.

[80] Vasselle, Alain (2011), Rapport d'information fait au nom de la mission commune d'information sur la prise en charge de la dépendance et la création du cinquième risque, Sénat, n°263, 26 janvier 2011.

[81] i.e. on a par with what active people pay.

[82] i.e. artisans, shopkeepers, liberal professions, farmers.

[83] So far the APA benefit has been granted down to level 4 out of the 6 levels identified by the AGGIR-grid – see the description of the system's characteristics in the section above.

widening the autonomy solidarity contribution to all professions on the other hand could be used as a complement to either proposal.

The proposal to set up an option for those with the highest assets to choose between a half APA benefit and a full APA benefit but with a deduction from the person's inheritance is meant to foster a 'more responsible behaviour' on the part of the wealthiest. According to Valérie Rosso-Debord, there are wealthy elderly who 'organise their insolvability' through donations so that national solidarity pays for their stay in elderly homes[84].

The 2011 Vasselle report to the Senate also aims at contributing to the debate on the future financing of long-term care. It also seeks to assess the progress made since the 2008 Vasselle report (cf. Annual National Report 2010), and to revise the positions that it had put forward in the 2008 report, the position of the government having since changed on the issue of the creation of a fifth social insurance branch.

Among the guidelines adopted by the Senate based on this report are:

- The rejection of the proposal to create a fifth branch of social security given the worsening situation of public finances,

- The principle of a "mixed public-private financing", combining a "high base level of solidarity" with (non-compulsory) private insurance involved in a complementary manner,

- Widespread coverage of the population by private insurance through the reorientation of life insurance policies or retirement plans towards a dependence guarantee, along with the integration of a dependence guarantee in the supplementary health coverage contracts,

- The possibility to reclaim part of the dependency benefit on the inheritance of the more wealthy elderly to finance part of the personal autonomy allowance (APA)

- The introduction of a second day of solidarity,

- The alignment of the General Social Contribution (CSG – Contribution Sociale Généralisée) rate paid by retirees on that of working people.

There is thus a clear re-orientation of the debate away from the idea of setting up a fifth social insurance scheme, the government having highlighted the difficulty in financing a new social insurance scheme in the present context of important public deficits.

Further to these two reports, a national debate has been launched in February 2011, which involves a six months consultation process with parties, trade unions, associations, representatives from religious groups, etc. Four task groups have been set up to deal with different aspects of long-term care. The first group addresses the issue of ageing and the place of elderly people in society. The second group deals with the demographic and financial forecasts of long-term care. The third group deals with care facilities and support for the elderly, addressing amongst other things the use of the new care technologies and examining the transformation of professions in the care sector. Finally, the fourth group seeks to develop a strategy for the long-term care coverage of the dependent elderly. The issue of financing (new modes of financing and the cost for individuals and families) are at the center of this group's reflexions. These consultations are supposed to provide the basis of a report to be submitted to the President in July 2011, in order for some preliminary measures to be

[84] This according to an interview with V. Rosso-Debord in "Entretien avec Valérie Rosso-Debord", *Regards sur l'actualité*, n°366, décembre 2010, pp.29-35.

integrated in the Social Security Funding Bill in 2012. The proposals put forward by these four groups will not come out before June 2011[85].

Still, on the basis of the ongoing consultations and of the Vasselle and the Rosso-Debord reports, the Minister of Solidarity and Social Cohesion, Mme Bachelot-Narquin, has announced during a radio programme on May 11th 2011 that certain ideas can already be sorted away.

Thus she notes that the setting up of a compulsory private insurance is no longer viewed as an alternative. The consultations have shown that none of the actors involved are really in favour of such an option. Valérie Rosso-Debord has now also distanced herself from this proposal[86]. The idea of reclaiming some of the APA benefit on the inheritance of those people with higher assets is also being progressively abandoned, as is the idea of introducing a second "day of solidarity" contribution which only applies to salaried workers. The proposal to restrict the benefit to the most dependent only (i.e. excluding those people classified in level 4 of the AGGIR-grid) is also being rejected.

The idea to raise the general social contribution (CSG) by 0.1% remains an option (which would bring in an extra EUR 1.3 billion). The President does not want to take up the idea of aligning the general social contribution rate of retired people on that of working people, however, as that would possibly alienate its elderly electorate.

Amongst the proposals that are still open are the ideas of removing tax loopholes to increase state revenue, and a tax on property. The idea of reorientating life insurance policies or retirement plans towards a dependence guarantee is considered interesting, but it would only cover those individuals wealthy enough to have accumulated some savings.

The Minister reiterated that the working groups' conclusions would not be presented before July 2011.

At this stage, it is announced that some reforms may begin at the end of 2011, but it seems that the main parts of the reform will be postponed until after the general elections of 2012.

Awareness of the long-term care issue has become very central within the population. An opinion survey published in February 2011[87] shows that 78% of people aged 35 to 75 feel concerned by elderly dependency, not least as two-thirds have already been confronted to that situation. The opinion that the State should retain the main responsibility for the financing of long-term care is expressed by 81% of the population, but there is now also 42% of the population who is favourable to the setting up of a compulsory private insurance scheme to cover the loss of autonomy. Yet only 12% of those who have participated in the survey have taken out such an insurance. A key issue for many respondants is support to informal carers (through the possibility to adapt working hours and to receive special training).

2.3.3 Impact of EU social policies on the national level

There has not been any debate on the OMC in the field of long-term care. The EU2020 strategy does not seem to have had any impact on the debates around long-term care reform in

[85] Discours de Roselyne Bachelot-Narquin: "Bilan d'étape concernant la concertation sur la dépendance", 14 avril 2011: http://www.dependance.gouv.fr/Bilan-d-etape-concernant-la.htm Accessed on May 10th, 2011.

[86] Interview with V. Rosso-Debord in "Entretien avec Valérie Rosso-Debord", *Regards sur l'actualité*, n°366, décembre 2010, pp.29-35.

[87] Baromètre Banque Postale Prévoyance-La Tribune carried out by TNS-Sofres. A summary of results can be found at http://www.latribune.fr/vos-finances/assurance/sante/20110207trib000599622/dependance-ce-que-veulent-les-francais-ce-qu-ils-refusent.html , accessed on May 10th, 2011.

France either. In fact, the French National Reform Programme only mentions long-term care in a small box, and in very general terms.

Where the EU has had an impact is in the framing of the need to reform the financing mechanisms of long-term care as a means to comply with the country's European engagement to reduce its public debt and deficit levels, in a context of financial crisis, thus making it necessary to finds new ways of financing long-term care, without aggravating the State's financial situation.

2.3.4 Impact assessment

Amongst the main issues that have been at the forefront of public debate, the issue of the costs that users have to meet themselves for the care they receive, especially in institutions, has been particularly central. Much of the present reform work aims at addressing this issue, but since no reform has been implemented so far, the situation has not changed in this respect.

A report came out in October 2009[88] providing an analysis of the out-of-pocket costs charged to residents of residential homes for the frail elderly. This report shows that there are wide differences in costs from one establishment to another, and that the actual costs that residents must meet are considerably higher than the figures usually presented. Based on the survey they carried out in four départements, the authors of the report show that the sum of EUR 1,500 often presented as the average monthly costs that residents must meet themselves[89] corresponds in fact to some sort of irreducible minimum which only applies to people who limit their spending as much as possible and who live in residences in rural areas where both the land and the infrastructure have already been paid off. In urban areas, remaining costs for residents of EUR 2,900 per month is not unusual and does not correspond to particularly luxurious services. The average amount lies around EUR 2,200, which is much higher than the average pension level which lies at around EUR 1,200 per month. This puts a strong pressure on the dependant elderly's savings and most importantly on their relatives.

However, the authors warn against putting these two figures together (average cost and average pension), as there is in fact no link between the two. As they show, except for those who depend on social assistance, there is no direct link between the out-of-pocket costs for residents and their income level: people with high income can be admitted into residential homes habilitated to receive elderly people who depend on social assistance and which offer reasonable tariffs and quality services, while many elderly with limited income are faced with very limited local choice between high priced residences.

The dependant elderly can receive different types of financial help: fiscal benefits, housing benefits and social aid benefits for accommodation. However, these three schemes are very heterogeneous, they are attributed by different financing instances (the state for the fiscal benefits, the National Fund for family benefits for the housing benefits, and the regional authorities for the social aid benefits) and are not articulated with each other. Furthermore, they have not been created specifically for the purpose of meeting the needs of residential care for the elderly and follow their own individual logics. There are thus wide disparities in terms of what the elderly receive, based on geographical factors, type of residence and access to information.

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[88] BRANCHU Christine, VOISIN Joëlle, GUEDJ Jérôme, LACAZE Didier, PAUL Stéphane; Etat des lieux relatif à la composition des coûts mis à la charge des résidents des établissements d'hébergement pour personnes âgées dépendantes (EHPAD), Inspection générale des affaires sociales (IGAS), 01/10/2009, 144 p.

[89] This figure is given for instance in the 2008 Vasselle report.

The authors of the report thus highlight the often great difficulty for the dependant elderly and their relatives in meeting out-of-pocket costs for residential care, not least as it is very difficult to predict in advance the length of stay in residential care, and thus the total cost for the elderly and his/her relatives.

Another issue that has come to the fore is that of the quality of the care provided, both in institutional and in domiciliary settings. With respect to institutional care, the above-mentioned report shows how random the system is with respect to costs and quality: high tariffs by no means guarantee a satisfactory quality, just as low tariffs do not exclude it.

Another report also published by the General Inspectorate for Social Affairs (Inspection Générale des Affaires Sociales – IGAS) in October 2009[90] provides a survey of quality in the field of – non-medical – domiciliary care services for the elderly. The authors show that while quality is emphasised at all levels, there is actually no coherent mode of quality control.

First of all, no unified legislation on domiciliary care services exists. These can be set up under two different types of legislation, and the quality requirements imposed are further laid down in a variety of texts and procedures. Domiciliary care companies themselves sometimes set up their own certification procedures and labels. According to the authors of the report, all these rules and regulations are simply piled up on each other without bringing any added value and remain purely procedural, not least as quality controls are only carried out in the form of desk audits and never based on interviews with the recipients. The authors also highlight the limited power of the Conseil Général over the domiciliary care providers despite being in charge of the Personalised Autonomy Benefit (APA).

This problem is further accentuated by the implication of numerous state services in this field without any real coordination between them. Finally, quality control is rendered difficult by the fact that domiciliary care is often provided through private (person to person) contracts. This is paradoxically the case for the most dependant elderly in need of a large number of care hours, who, although they would benefit more than others from relying on an operational provider to coordinate their service needs, often resort to direct employment (private person to person contracts) as a less costly option.

2.3.5 Critical assessment of reforms, discussions and research carried out

Since there is so much uncertainty for the moment regarding the direction and content of the reforms in the field of long-term care, it is difficult to provide an assessment of these reforms in light of the objectives agreed in the OMC. While the questions of the quality and access to care services are addressed in the different reports and ongoing debate, there is no new plan yet to tackle these issues since much depends on the future financing capacities of the different bodies in charge of long-term care. Since much of the financing is borne by the 'départements', there is also a problem of territorial inequalities linked to both population structure and wealth.

The issue of the governance of the system also still needs to be addressed. As the system stands today, there are a great number of actors involved in the financing and organisation of long-term care which makes the system very difficult to understand and make good use of for the dependent elderly and their relatives, and also creates many inequalities between beneficiaries.

[90] ROUSSILLE Bernadette, STROHL Hélène, RAYMOND Michel, Enquête sur les conditions de la qualité des services d'aide à domicile pour les personnes âgées, Inspection générale des affaires sociales (IGAS), 02 October 2009, 145 p.

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DARES (2010), "Emploi et chomage des 50-64 ans en 2009", *Dares – Analyses,* nr 39, June 2010.

DARES (2010), "Emploi des seniors: pratiques d'entreprises et diffusion de politiques publiques", *Dares – Analyses*, nr 54, September 2010.

DARES (2010), "L'opinion des employeurs sur les seniors: les craintes liees au vieillissement s'attenuent", *Dares – Analyses*, nr 55, September 2010.

DARES (2010), "Les retraites publiques en 2010: dix fois moins d'entrees qu'en 1999", *Dares – Analyses*, nr 62, September 2010.

DREES (2009), "L'allocation personnalisée d'autonomie et la prestation de compensation du handicap au 30 juin 2009", Etudes et Résultats, n°710, November 2009.

DREES (2010), "Les retraités et les retraites en 2008", *Etudes et résultats*, nr 722, April 2010.

DREES (2011), "Les motivations de depart a la retraite: Premiers resultats de l'enquete aupres des nouveaux retraites du regime general", Etudes et Resultats, nr 745, January 2011.

"Entretien avec Valérie Rosso-Debord", *Regards sur l'actualité*, n°366, décembre 2010, pp. 9-35.

NACZYK, Marek and PALIER, Bruno (2010), Complementing or replacing old-age insurance, Recwowe working paper, 08/10, http://www.socialpolicy.ed.ac.uk/__data/assets/pdf_file/0018/44082/REC-WP_0810_Naczyk_Palier.pdf.

PALIER, Bruno, NACZYK, Marek and MOREL, Nathalie (2008), "Review of the National Strategy Report on Social Protection and Social Inclusion 2008-2010. France", October 2008.

ROSSO-DEBORD, VALERIE (2010), *Rapport d'information déposé par la commission des affaires sociales en conclusion des travaux de la mission sur la prise en charge des personnes âgées dépendantes*, Assemblée nationale, n°2647, 23 juin 2010.

ROUSSILLE Bernadette, STROHL Hélène, RAYMOND Michel (2009), *Enquête sur les conditions de la qualité des services d'aide à domicile pour les personnes âgées*, Inspection générale des affaires sociales (IGAS), 02 October 2009, 145 p.

VASSELLE, ALAIN (2008), *Rapport d'information fait au nom de la mission commune d'information sur la prise en charge de la dépendance et la création d'un cinquième risque*, Sénat, n°447, Annexe au Procès verbal de la session du 8 juillet 2008, July 2008.

VASSELLE, ALAIN (2011), Rapport d'information fait au nom de la mission commune d'information sur la prise en charge de la dépendance et la création *du cinquième risque*, Sénat, n°263, 26 janvier 2011.

3 Abstracts of Relevant Publications on Social Protection

[R] Pensions
- [R1] General trends: demographic and financial forecasts
- [R2] General organisation: pillars, financing, calculation methods or pension formula
- [R3] Retirement age: legal age, early retirement, etc.
- [R4] Older workers activity: active measures on labour market, unemployment benefit policies, etc.
- [R5] Income and income conditions for senior workers and retired people: level of pensions, accumulation of pensions with earnings from work, etc.

[H] Health
- [H1] Health expenditures: financing, macroeconomic impact, forecasting, etc.
- [H2] Public health policies, anti-addiction measures, prevention, etc.
- [H3] Health inequalities and access to health care: public insurance coverage, spatial inequalities, etc.
- [H4] Governance of the health system: institutional reforms, transfer to local authorities, etc.
- [H5] Management of the health system: HMO, payments system (capitation, reimbursement, etc.)
- [H6] Regulation of the pharmaceutical market
- [H7] Handicap

[L] Long-term care

[R] Pensions

[R2; R5] AMAR, Elise, "Participation, intéressement et épargne salariale en 2008 : une baisse de près de 7 % des montants distribués", *Dares – Analyses*, nr 71, Octobre 2010, 9 p. http://www.travail-solidarite.gouv.fr/IMG/pdf/2010-071.pdf

"Participation, intéressement and épargne salariale in 2008: a 7% decrease in sums distributed through theses schemes"

This paper shows developments of profit-sharing schemes (participation), bonuses linked to company performance (intéressement) and salary saving schemes (épargne salariale). This is important, because the PERCO (plan d'épargne retraite collectif), one of the retirement savings plans created by the 2003 Fillon Law, is tightly linked to these schemes. The paper shows that coverage by these schemes has been increasing regularly since 2000, particularly in small companies with fewer than 50 employees. In 2008, 58% of workers in the private sector, except in agriculture, were covered by at least one of these schemes. However, coverage is highest in large companies. The sums distributed in these schemes have decreased by 6.6% between 2008 and 2007. Coverage and the sums distributed are highest among cadres.

[R5] ANDRIEUX, Virginie, AUBERT Patrick, BARTHELEMY Nadine, CHANTEL Cécile, DUCOUDRE Bruno, LABORDE Charline, "Les retraités et les retraites en 2009", Etudes et Résultats, Drees, n° 757, April 2011. http://www.sante.gouv.fr/IMG/pdf/er757.pdf

"Pensioners and pensions in 2009"

Based on statistical data, this paper gives an overall picture of the situation of French pensioners in 2009. France counts approximately 15 million pensioners. Since 2006, the number of pensioners increases by 350,000 and 400,000 people each year. However, this increase has slowed down in 2009, because of tighter eligibility criteria for early retirement due to a long career. The average pension is EUR 1194 a month. It has increased on average by 3% since 2004. This is an increase by 1.3% higher than price inflation. However, that increase is mostly attributable to the death of older and poorer pensioners and their replacement by younger pensioners with better contribution records.

[R1] CONSEIL D'ORIENTATION DES RETRAITES (COR), "Retraites : Perspectives actualisées à moyen et long terme en vue du rendez-vous de 2010, Huitième rapport", Paris : COR, April 2010, 98 p. http://www.cor-retraites.fr/article368.html
"Pensions: Update of mid-term and long-term projections for the 2010 pension negotiation"

This report presents COR's most recent financial projections for the French pension system. The report has been specially prepared to serve as a basis for the 2010 negotiation on a reform of statutory schemes. The first part presents the assumptions of the projections. In the "A" scenario, the long-term unemployment rate reaches 4.5% and productivity growth rate is set at 1.8%. In the "B" scenario, unemployment rates also reach 4.5%, but labour's productivity growth rate is set at 1.5%. Finally, in the "C" scenario, the long-term unemployment rate is set at 7% and the trend for labour's productivity growth is set at 1.5%. These three scenarios have been chosen to illustrate the uncertainties that currently exist on the long-term perspectives of the economy after the crisis. The second part presents the results of the projections which are run both for the mid run and the long run. The third and final part presents the conditions under which the financial equilibrium of the system can be reached in the mid run and in the long run.

[R1] CONSEIL D'ORIENTATION DES RETRAITES "Projections de population à l'horizon 2060. Un tiers de la population âgé de plus de 60 ans : document de travail" – Séance plénière du 15/12/2010 Paris : *COR*, December 2010.

"Demographic projections until 2060. A third of the population aged more than 60: working paper"

This is a working paper prepared by the COR. It examines the impact on the pension system of new demographic projections (until 2060) carried out by the national statistical office (INSEE). Hypotheses on fecundity are improved, with a forecast of 1.95 child per woman starting from 2015. The COR highlights that life expectancy will be higher than initially assumed, starting from 2006. The demographic dependency ratio will also be higher than initially assumed: it increases by 2% between 2020 and 2030.

[R1; R3] CONSEIL D'ORIENTATION DES RETRAITES (COR), "Variantes de durée d'assurance et d'âges de la retraite : dossier technique préparé par le secrétariat général du COR". Paris: COR, May 2010. http://www.cor-retraites.fr/article370.html
"Variants on the duration of contribution and the retirement age: technical working papers prepared by general secretariat of the COR"

This is a series of working papers which provide complementary simulations to those carried out for the 8th report of the COR. The papers include simulations which take into account an increase in the statutory retirement age and an increase in the minimum contribution period required to get a full pension. The work also includes simulations on the effects of different types of additional resources and compares the average pension to the average income of workers.

[R1; R2] CONSEIL D'ORIENTATION DES RETRAITES (COR), « Retraites : annuités, points ou comptes notionnels ? Options et modalités techniques - Septième rapport ». Paris : COR, January 2010, 261 p. http://www.cor-retraites.fr/IMG/pdf/doc-1276.pdf

"Pensions: Annuities, points or notional accounts? Technical options and details – Seventh report"

This is a report that has been prepared by the COR to assess the feasibility of the introduction of notional accounts in the French pension system. The main conclusion of the report is that such a move is feasible from a technical and a legal point of view, but that such a transition would need widespread political support to be implemented. The first part of the report outlines the main features of the current pension system. The French pension system is characterised by a multiplicity of schemes, the importance of redistribution, but also by a trend towards a convergence of rules within the different schemes. The second part analyses the major options for a new retirement system: the different methods of calculating pensions (annuities – i.e. DB, points, notional accounts) are presented and this part provides an assessment of the consequences of the different benefit formulas for the running/governance of the pension system. The third part examines the technical details of a move to a point system or to a notional accounts system. This part starts with shedding light on the challenges that can arise during the transition and with a presentation of the different options for a transition (immediate or gradual transition). The report also studies the ways in which mechanisms of solidarity can be introduced in point systems and in notional defined contribution systems. Finally, the report assesses the feasibility of a reform from a legal and a technical point of view and evaluates the effects of the choice of different parameters in the new system, via the presentation of simulations carried out by the CNAV (National Old-Age Insurance Institution), INSEE (National Institute of Statistics) and the general secretariat of COR.

[R4] DEFRESNE, Marion, MARIONI, Pierre and THEVENOT, Céline "Emploi des seniors : pratiques d'entreprises et diffusion des politiques publiques", *Dares - Analyses*, nr 54, September 2010, 12 p.

http://www.travail-solidarite.gouv.fr/IMG/pdf/2010-054.pdf

"Employment of older workers: companies' policies and the diffusion of public policies"

This paper presents a survey carried out by the DARES on the evolution of employers' attitudes towards older workers and changes in their human resources policy towards that group of workers.

Between 2000 and 2008, the proportion of workers aged 50 or more has increased in the workforce. They now represent 24% of employment in the private sector compared to 20% in 2000. The paper shows that companies have largely started to adapt their HR policies. 35% of companies with more than 20 employees use the "age pyramid" as a management tool. Approximately 25% of large companies have put in place agreements on the pre-emptive management of employment and skills (Gestion prévisionnelle de l'emploi et des compétences). These agreements highlight the important role played by vocational training.

[R4] DEFRESNE, Marion, MARIONI, Pierre and THEVENOT, Céline "L'Opinion des employeurs sur les seniors: les craintes liées au vieillissement s'atténuent", Dares – Analyses, nr 55, Septembre 2010, 8 p. http://www.travail-solidarite.gouv.fr/IMG/pdf/2010-055.pdf

"Employers' opinion on older workers: fears related to ageing are getting less acute"

This paper presents the results of a survey carried out in 2008 by the DARES on the attitude of employers towards older workers. According to the paper, employers increasingly consider

workers aged 50 or more as assets rather than liabilities. They value their experience, their know-how and their dedication and are not worried by an increase in the proportion of these workers in the workforce, except for labour costs. Approximately half of employers intend to invest in these workers' training or to adapt their working conditions. Attitudes towards older workers vary by firm size, firms' structure and their sector.

[R2; R3; R4] DEMONTES, Christiane and LECLERC, Dominique. Rapport d'information fait au nom de la mission d'évaluation et de contrôle de la sécurité sociale (MECSS) de la commission des affaires sociales sur le rendez-vous 2010 pour les retraites. Paris: Sénat (Rapport d'information, 461), 2010, 391 p. http://www.senat.fr/rap/r09-461-2/r09-461-21.pdf

"Report for the 2010 pension reform prepared by the 'Mission for the Assessment of the Social Security System' set up by the Senate's Commission of Social Affairs"

This is the final report of a mission of working group on the pension system established within the French Senate. The report describes the main characteristics of the existing pension system. It presents the pension reforms that have been introduced so far and it presents key data on the financial situation of the pension system. The Mecss explores different ways in which the pension system could be reform. It examines the different parameters that can be changed, including the introduction of additional sources of revenue. It also highlights the problem of a low employment rate of older workers.

[R2] NACZYK, Marek and PALIER, Bruno "France: Promoting Funded Pensions in Bismarckian Corporatism?" In Bernhard EBBINGHAUS (Ed.), The Varieties of Pension Governance. Pension Privatisation in Europe. Oxford: Oxford University Press 2011.

Built in the Bismarckian social insurance tradition, the post-war French pension system has been characterised by occupational fragmentation, its strong reliance on pay-as-you-go financing and by the direct involvement of the social partners in the management of the system. Generous benefits, offered a combination of statutory pension schemes and of mandatory pay-as-you-go occupational pensions, initially crowded out funded pensions. However, pension reforms, which promoted retrenchment both in statutory and in pay-as-you-go occupational pension schemes in the 1990s and the 2000s, have resulted in the gradual development of funded private pensions. In recent years, the governance of mandatory pay-as-you-go occupational schemes has been harmonised and inequalities between different occupational categories have been reduced. While the regulatory framework governing funded – occupational and personal – pension plans has been largely unified, access to these schemes remains mostly limited to high-skilled workers.

[H] Health

[H4; H5] CHEVREUL (K.) , DURAND-ZALESKI (I.) , BAHRAMI (S.) , HERNANDEZ-QUEVEDO (C.) , MLADOVSKY (P.) World Health Organisation. (W.H.O.). European observatory on health systems and policies. Bruxelles. BEL. http://www.euro.who.int/__data/assets/pdf_file/0008/135809/E94856.pdf.

"Health systems in transition: France: health system review. Health systems in transition; vol. 12, n° 6. Copenhague: OMS Bureau régional de l'Europe 2010."

The French health care system is a mix of public and private providers and insurers. Public insurance, financed by both employees and employer contributions and earmarked taxes, is compulsory and covers almost the whole population, while private insurance is of a complementary type and voluntary. Providers of outpatient care are largely private. Hospital beds are predominantly public or private non-profit-making. The French population enjoys good health and a high level of choice of providers. It is relatively satisfied with the health care system. However, as in many other countries, the rising cost of health care is of concern with regards to the objectives of the health care system. Many measures were or are being implemented in order to contain costs and increase efficiency. These include, for example, developing pay-for-performance for both hospitals and self-employed providers and increasing quality of professional practice; refining patient pathways; raising additional revenue for statutory health insurance (SHI); and increasing the role of voluntary health insurance (VHI). Meanwhile, socioeconomic disparities and geographic inequality in the density of health care professionals remain considerable challenges to providing a good level of equity in access to health care. Organisational changes at the regional level are important in attempting to tackle both equity and efficiency-related challenges. While the organisational structure of the system remained very stable until the mid 1990s, in the following decade many changes occurred and several new institutions were created. Concurrently, the respective power and involvement of the parliament, government, local authorities and SHI in the policy-making process have evolved. However, the Ministry of Health has retained substantial control over the health system, although ongoing reforms at both the regional and the national levels may challenge its traditional role. This edition of the French HiT was written concurrently with the vote and implementation of the 2009 Hospital, Patients, Health and Territories Act, which dramatically changed again the organisational structure and management of the health care system at the regional and local level. In order to ensure a comprehensive description and understanding of the system, the HiT, therefore, describes both the previous organisation and the reorganisation following the Act. However, the implementation process of the Act and its formal application was still a work in progress at the time of completing the French HiT.

[H1] GRIMALDI (A.), LE PEN (C.), Où va le système de santé français? Pour ou contre. Bordeaux : Editions Prométhée 2010.

"Where is the French Health care system heading?"

The Sickness insurance fund deficit never ceases to grow, and with it the grave of a health system known around the world. The French system suffers from a disease rampant and recurrent, privatisation for some, state ownership to others. Development of medical co-payments, establishment of a medical practitioner, delisting care, universal health coverage, pricing activity... reforms have increased in recent years to support the idea of helpless governments. One thing is certain: the social protection system inherited from the aftermath of the Second World War has wavered on its foundations. For some, a strong state regulation would have replaced a system that was the pride of co-management and private medicine. Others denounce the logic behind all the reforms of recent years, which would tend to make health care a commodity and would undermine the equality of care.

[H3] RAPPORT Haut Conseil pour l'Avenir de l'Assurance Maladie. (H.C.A.A.M.). Paris. FRA, L'accessibilité financière des soins: comment la mesurer ? Avis. Paris : HCAAM 2011.

"Financial accessibility to health care: how to measure it?"

The future goal of the High Council for the future of sickness insurance is to propose a set of indicators for assessing health insurance in the form of a "dashboard" that is not limited to only financial aspects but also includes dimensions of efficient use of care system, which strengthens the analysis and comparisons, particularly with foreign systems of social protection, which would contribute to the quality of public debate, and give reliable orientations for the necessary adaptations of the system in terms of meeting its basic objectives. The first phase focused on the affordability of care for all. The report presents the first part of the dashboard or a small set of indicators to follow this fundamental objective, according to three angles: - solidarity between the healthy and sick, given the cost of disease and regardless of the income of the patient - ensuring affordability for lower income - funding for access to optimal care system.

[H4; H5] Steffen Monika, The French Health Care System: Liberal universalism**.** JOURNAL OF HEALTH POLITICS POLICY AND LAW 2010/06, Vol:35, N°: 3, p. 353-387

This article analyses the reforms introduced over the last quarter century into the French health care system. A particular public-private combination, rooted in French history and institutionalised through a specific division of the policy field between private doctors and public hospitals, explains the system's core characteristics: universal access, free choice, high quality, and a weak capacity for regulation. The dual architecture of this unique system leads to different reform strategies and outcomes in its two main parts. While the state has leverage in the hospital sector, it has failed repeatedly in attempts to regulate the ambulatory care sector. The first section of this article sets out the main characteristics and historical landmarks that continue to affect policy framing and implementation. Section 2 focuses on the evolution in financing and access, section 3 on management and governance in the (private) ambulatory care sector, and section 4 on the (mainly public) hospital sector. The conclusion compares the French model with those developed in the comparative literature and sets out the terms of the dilemma: a state-run social health insurance that lacks both the legitimacy of Bismarckian systems and the leverages of state-run systems. The French system therefore pursues contradictory policy goals, simultaneously developing universalism and liberalism, which explains both the direct state intervention and its limits.

[H2] TABUTEAU (D.), Du plan Seguin à la loi HPST: les évolutions de la politique de santé. *Les vingt ans des économistes de la santé.* SEVE: LES TRIBUNES DE LA SANTE 2010/09 Numéro spécial: Hors-série.

"From Plan Seguin to Loi HPST: the evolutions of health policies."

For a quarter of a century, health policy has undergone unprecedented changes. Controlling health expenditures and health crises have repeatedly mobilised the government. But the laws on public health, regulation of medical activities, bioethics and patients' rights have marked this period. The main trend is the progressive affirmation of state power in the organisation and regulation of the health system. Articles also reveal the beginnings of major disruptions to the changing health care system and health insurance.

[L] Long-term care

[L] ROSSO-DEBORD, VALERIE (2010), *Rapport d'information déposé par la commission des affaires sociales en conclusion des travaux de la mission sur la prise en charge des personnes âgées dépendantes*, Assemblée nationale, n°2647, 23 juin 2010.

"Information report presented to the National Assembly by the social affairs commission in conclusion of the work carried out by the mission on long-term care for the dependant elderly"

This report focuses mainly on the issue of the financing of long-term care, and this for the dependant elderly exclusively. It sets out a number of proposition for new ways of financing long-term care and for reducing or reshuffling present expenditure, notably by restricting the dependency benefit to the most dependent elderly.

[L] VASSELLE, ALAIN (2011), *Rapport d'information fait au nom de la mission commune d'information sur la prise en charge de la dépendance et la création du cinquième risque*, Sénat, n°263, 26 janvier 2011.

"Information report presented to the Senate carried out in the name of the common information mission on long-term care and the creation of the fifth social insurance branch"

This report to the Senate aims at contributing to the debate on the future financing of long-term care. It also seeks to assess the progress made since the 2008 Vasselle report, and to revise the positions that it had put forward in the 2008 report, the position of the government having since changed on the issue of the creation of a fifth social insurance branch.

4 List of Important Institutions

Caisse Nationale d'Assurance Maladie des Travailleurs Salariés – National Health Insurance Fund for the Salaried Workers

Address: 50 avenue du Professeur André Lemierre, 75986 Paris Cedex 20
Webpage: http://www.ameli.fr/l-assurance-maladie/statistiques-et-publications/

The National Health Insurance Fund for the Salaried Workers is the main Health insurance funds, providing health care coverage to 80% of the French population. CNMATS has one research unit, in charge of statistics and research. It regularly publishes "Points de repères" which gather statistical data on health in France, and a journal: "Pratiques et organisation des soins".

Caisse Nationale d'Assurance Vieillesse (CNAV)

Address: 110 avenue de Flandre, 75951 Paris cedex 19
Webpage: http://www.cnav.fr

CNAV is the social protection administration that manages private-sector wage-earners pension scheme. CNAV has different research units. One unit compiles and analyses statistical data. Another unit specialises in research over ageing. Main publications include: "Retraite et Société", "Cadr@ge", "Les Cahiers de la CNAV".

Caisse Nationale de Solidarité pour l'Autonomie (CNSA) – National Solidarity Fund for Autonomy

Address: 66 avenue du Maine, 75682 Paris cedex 14
Phone: 33 (0)1 53 91 28 00
Webpage: http://www.cnsa.fr/

The CNSA is a public agency that was set up in 2005. It is both a "fund" in charge of distributing financial resources, and an "agency" providing technical expertise. Its mission is to finance the social benefits geared towards the dependent elderly and the disabled; to guarantee equal treatment across the country and for all types of disabilities; and to provide technical expertise, information and guidance in order to survey the quality of services.
Main recurring publications:
The Annual Report (le Rapport Annuel): This report presents all the actions that have been carried out during the year and takes stocks of what has been achieved since the creation of the CNSA. It also addresses future orientations.
The Letter (La Lettre): The Letter is published on a quarterly basis and provides information on ongoing activities and projects, publishes interviews of people involved in the field, etc.

Commission des comptes de la Sécurité sociale – Commission on Social Security Accounts.

Webpage: http://www.securite-sociale.fr/chiffres/ccss/ccss.htm

This institution is not an administration with specific staff working for it, and has therefore no specific mail address. Created in 1979, the Commission social security accounts has the role of analysing the accounts of the social security funds. It also looks at the accounts of the complementary pensions. The Commission is chaired by the minister in charge of the social security. It meets at least twice a year, on the initiative of its president: the first meeting is held between on April 15th and on June 15th and a first estimate of the accounts of the general scheme of social security is published; the second meeting proceeds between on September 15th and on October 15th. The accounts of the whole of the mandatory schemes of social security are presented and analysed by the commission. Since the adoption of the

financing law of social security, the second meeting is held around on September 20th. It is devoted to the examination of the accounts which are used as framework for the financing law of social security.

Cour des Comptes – Financial Auditing Court

Address: 13 rue Cambon, 75001 Paris
Webpage: http://www.ccomptes.fr/fr/CC/Accueil.html

The missions of the Cour des comptes are defined by the Constitution in paragraph 1 of article 47-2: "The Cour des comptes shall assist Parliament in monitoring Government action. It shall assist Parliament and the Government in monitoring the implementation of Finances Acts and of Social Security Financing Acts as well as in assessing public policies. By means of its public reports, it shall contribute to informing citizens. […]" As an administrative jurisdiction, the Cour des comptes fulfils these missions in full independence. The Cour monitors that Ministers respect the budget appropriations voted by both assemblies. It checks results in terms of expenditures as well as receipts. It contributes to the accurate awareness of the State's financial situation. It proceeds in a similar way for the whole social security system that complies with organisational rules and budgetary principles that are far different from those of the State". Every year, the Cour releases a report on the implementation of the Social security financing Act.

Direction de la recherche, des études, de l'évaluation et des statistiques (DREES)

Address: Mission publications et diffusion, 14 avenue Duquesne, 75350 Paris 07 SP
Phone: 0033.1.40.56.80.54
Email: drees-infos@sant.gouv.fr
Webpage: http://www.sante-sports.gouv.fr/etudes-recherches-statistiques/etudes-recherches-statistiques-sante/direction-recherche-etudes-evaluation-statistiques-2-.html

DREES is the research unit of the Ministry of Health, but it publishes reports on social protection issues in general. Main publications include: "Études et resultats", "Revue française des affaires sociales", "Dossiers Solidarité et Santé" and working papers.

Haute Autorité de Santé – French National Authority for Health

Address: 2, avenue du Stade de France, 93218 Saint-Denis La Plaine Cedex
Phone: 00 33 1 55 93 70 00
Webpage: http://www.has-sante.fr/

The Haute Autorité de Santé (HAS) – or French National Authority for Health – was set up by the French Government in August 2004 in order to bring together under a single roof a number of activities designed to improve the quality of patient care and to guarantee equity within the health care system. HAS activities are diverse. They range from assessment of drugs, medical devices, and procedures to publication of guidelines to accreditation of health care organisations and certification of doctors. All are based on rigorously acquired scientific expertise. Training in quality issues and information provision are also key components of its work programme. HAS publishes various reports.

Haut Conseil sur l'Avenir de l'Assurance Maladie – High Council for the future of Health insurance

Address: Ministère de la santé, de la jeunesse, des sports et de la vie associative, 18 place des Cinq Martyrs du Lycée Buffon, 75696 Paris Cedex 14
Webpage: http://www.sante.gouv.fr/htm/dossiers/hcaam/sommaire.htm

The High council, chaired by Bertrand Fragonard, brings together 58 members representing the unions and employers, the Parliament, the State, the health insurance funds, the mutual insurance companies, the professions and health care institutions, the users, as well as qualified personalities. The High council for the future of the health insurance has four missions: to assess the system of health insurance and its evolutions; to describe the financial situation and the prospects for the health insurance and to appreciate the requirements to ensure their viability in the long term; to take care of the cohesion of the system of health insurance regarding the equal access to care of high-quality and a just and equitable financing, to formulate, if necessary, the recommendations or reform proposals likely to answer the objectives of financial solidity and social cohesion. HACCM publishes an annual report and specific positions (avis).

Institut de Recherches Economiques et Sociales (IRES) – Institute of Economic and Social Research

Address: 16 Boulevard du Mont d'Est, 93192 Noisy-le-Grand cedex
Phone: 0033 1 48 15 18 90
Webpage: http://www.ires.fr/

IRES is a research institute whose aim is to provide studies on social and economic issues for trade unions. On the one hand, it prepares studies agreed upon by all trade unions. Its scientific programme is defined every four years. On the other hand, it prepares studies commissioned by individual trade unions. The institute employs approximately 30 researchers. Main publications include: "La Revue de l'IRES", "La Chronique Internationale de l'IRES", "La lettre de l'IRES" and working papers.

Institut de recherche et documentation en économie de la santé (IRDES) – Institute for Research and Information in Health Economics

Address: 10 rue Vauvenargues, 75018 Paris
Phone: 00 33 1 53 93 43 00
Webpage: http://www.irdes.fr/

IRDES's primary mission is to provide high quality research and information for those who are interested in the future of health care systems. IRDES's multidisciplinary team monitors and analyses trends in the behaviour of consumers and health care professionals from a medical, economic, geographic and sociological perspective. In addition, IRDES provides access to health information for general public through its documentation center.
IRDES develops and conducts periodic and targeted surveys on populations, health care professionals, and institutions, to collect data on medical care production and consumption. Partnership agreements also enable it to make use of surveys conducted by other organisations (National Institute of Statistics and Economic Studies, sickness funds, IMS France.) IRDES publishes various working papers.

Ministère du Travail, des Relations sociales, de la Famille, de la Solidarité et de la Ville – Ministry of Labour, Social Relations, Family and Solidarity

Address: 127, rue de Grenelle, 75007 PARIS 07 SP, France
Webpage: http://www.travail-solidarite.gouv.fr/

Ministère de la Santé et des Sports

Address: 14, avenue Duquesne, 75350 PARIS 07 SP, France
Phone: + 33 (0) 825 302 302
Webpage: http://www.sante-jeunesse-sports.gouv.fr/

L'Observatoire des Retraites – Pensions Observatory

Address: 16-18 rue Jules César, 75012 Paris
Phone: 0033 1 71 72 12 00
Webpage: http://www.observatoire-retraites.org/

The Observatoire des Retraites has been created in 1991 by Agirc and Arrco schemes. Its main objectives are to:

- *promote studies and analyses of the French pension system and of foreign pension systems*
- *improve access to reliable and non-partisan information on pension systems.*

The main publication of the Observatoire des Retraites is the "Lettre de l'Observatoire des Retraites" which is published several times every year.

Observatoire Français des Conjonctures Economiques (OFCE) – The French Economic Observatory

Address: 69 quai d'Orsay, 75340 Paris cedex 07
Phone: 0033 1 44 18 54 00
Webpage: http://www.ofce.sciences-po.fr

The OFCE is both a university research centre and an institution for forecasting and evaluating public policies. It brings together over 40 French and international researchers, including several internationally renowned research fellows and three Nobel Prize laureates. The OFCE is organised into four departments – Analysis & Forecasting, Research, Innovation & Competition, and Globalisation. The OFCE publishes both a quarterly review ("Revue de l'OFCE") and a monthly newsletter ("Lettre de l'OFCE") with in-depth analyses of pertinent subjects and issues of debate, as well as working papers. The Observatory also publishes annually several documents that bring together contributions from its specialists: L'Économie française, L'état de l'Union européenne, and the Report on the State of the European Union.

Secrétariat général du Conseil d'orientation des retraites Conseil d'Orientation des Retraites (COR) – Pension Orientation Council

Address: 113, rue de Grenelle, 75007 Paris
Phone: 0033 1 42 75 65 50
Webpage: http://www.cor-retraites.fr/index.php

The COR is a structure created by the Jospin Government in 2000 that gathers representatives of the main stakeholders in the pension system (trade unions, employers' associations, pensioners' organisations, family associations, MPs, civil servants, directors of public pension administrations as well as experts). COR regularly feeds the pension debate by publishing reports and documents that are considered as highly reliable and serve as a basis for the preparation of pension reforms. All COR documents are publicly available on the internet.

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(1) to improve the knowledge and understanding of the situation prevailing in the Member States (and in other participating countries) through analysis, evaluation and close monitoring of policies;
(2) to support the development of statistical tools and methods and common indicators, where appropriate broken down by gender and age group, in the areas covered by the programme;
(3) to support and monitor the implementation of Community law, where applicable, and policy objectives in the Member States, and assess their effectiveness and impact;
(4) to promote networking, mutual learning, identification and dissemination of good practice and innovative approaches at EU level;
(5) to enhance the awareness of the stakeholders and the general public about the EU policies and objectives pursued under each of the policy sections;
(6) to boost the capacity of key EU networks to promote, support and further develop EU policies and objectives, where applicable.

For more information see:
http://ec.europa.eu/social/main.jsp?catId=327&langId=en