

# FRANCE:

## A Late-Comer to Government-Nonprofit Partnership

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## AN UNFAVOURABLE HISTORICAL TRADITION

- **Before 1789:** Catholic charities and Guilds provided limited human services to the poorest.
- **BUT:** French Revolution of 1789, destroyed these pillars—Rousseau's ideas
- **19th Century:** Continued suppression of NPOs to protect democratic government.

## THREE TURNING POINTS TOWARDS GOVERNMENT-NONPROFIT COOPERATION

- 1) **Law of 1901:** Finally legalized NPOs (but kept limits on foundations).
- 2) **1960s:** Student movement, women's movement, handicapped rights—an “associational revolution”  $\implies$  first government grants to NPOs for health, social services, training.
- 3) **1982-95:** Massive turn to de-centralization and “nonprofitization” under Socialist Government of Mitterrand.

# From Jacobinism to Cooperation

## WHY THE CHANGE?

- ***Growing citizen dissatisfaction*** with welfare state services—too bureaucratic, unresponsive, lengthy delays, blind to new needs.
- ***Gives rise to the “Second Left”***—leftist intellectuals and politicians sharply critical of French welfare state operation.
- ***Decentralization and “nonprofitization”*** promoted as solutions—to preserve the welfare state but alter its *modus operandi* through engagement of NPOs.

## From Jacobinism to Cooperation NEW RHETORIC OF PARTNERSHIP

- **Rousseau:** “The State, and the State alone, embodies the *general will* of the people. Associations embody the partial wills of particular groups. We opt to support the former over the latter.” (1780s)
- **Jospin:** “The State cannot do everything.” (1980s)
- **Chirac:** “The State has not a monopoly of the public good.” (1990s)

## THE FRENCH NONPROFIT SECTOR TODAY

- **A dense network** of 1,350,000 NPOs everywhere in France.
- **A major employer:**
  - 10% of private employment;
  - 7.5% of total employment;
  - 3/4 of NP employees provide human services.
- **A source of employment growth:** Since 1990, nonprofit employment has grown 2x quicker than the overall employment.

# THE FRENCH WELFARE MIX TODAY

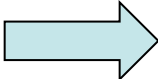
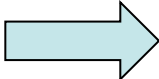
FIELD	NON-PROFIT	FOR-PROFIT	PUBLIC	TOTAL
Social service	62%	10%	28%	100%
Culture	27%	37%	36%	100%
Education	19%	5%	76%	100%
Health	12%	23%	65%	100%
Employment	7.5%	67%	25.5%	100%

# SOURCES OF FRENCH NONPROFIT SOCIAL SERVICE AND HEALTH ORGANIZATION REVENUES, 2011

<b>SOURCE OF REVENUE</b>	<b>% OF REVENUE FROM SOURCE</b>
<b>Philanthropy</b>	<b>3.6%</b>
<i>Membership dues</i>	<i>1.8%</i>
<i>Individual and corporate giving</i>	<i>1.8%</i>
<b>Private fees and charges</b>	<b>35.3%</b>
<b>Government</b>	<b>61.0%</b>
<b>TOTAL</b>	<b>100%</b>



# THE TOOLS OF ACTION IN GOVERNMENT-NONPROFIT RELATIONS IN FRANCE

- Grants  Contracts  Competitive tenders.
- Loans and loans guarantees.
- Government encourages socially responsible investment and Solidarity-based saving.
- Tax expenditures: Most NPOs are exempted from the 3 taxes on businesses. Substantial tax credits for giving.
- Vouchers: for services for the elderly and the disabled.
- Public regulation of the creation, costs and activities of the facilities run by NPOs.

## SUBSTANTIAL NONPROFIT ROLE IN PUBLIC POLICY FORMULATION

- **Co-construction** of public policy with NP umbrella groups
  - 3 Laws on the disabled: 1975, 2002, 2005.
  - More recently the 2014 Law on Social and Solidary Economy
- **Experimentation** with new procedures or new benefits by nonprofit organizations: 1988 minimum income for integration
- **Participation** of leaders of the civil society in the government
- **Consultation** by the Parliament with NPOs on social issues
- **Charters** outlining reciprocal commitments: 2001, 2013

## CONCLUSION: Nonprofitization of the welfare state

- France shares with Russia a long-standing tradition of State monopoly over the financing and provision of human services;
- However, this monopoly was eroded by budget pressures and citizen dissatisfaction with the quality of state-provided services;
- France responded with a radical program of decentralization of the delivery of human services, and ultimately a strong turn to once-outlawed nonprofit organizations for their delivery;
- This system is working well, but has faced increased pressures caused by the new austerity programs and public-sector funding cuts.