

Blake Hamm

Construction of Capitalism

Dr. Richard Chapman and Dr. John Watkins

May 29, 2015

Observations of the French Social Welfare System

Growing up in a family with a father who is the CEO of a health insurance company and a mother who is a member of the engineering union at Boeing allowed for me to generate an awareness of political issues. My upbringing has resulted in an interest in politics, economics and has led me to become the President and founder of the Libertarian club at Westminster. This interest encouraged me to recommend to my project group to study fiscal policy of France. When our group duties were allocated, I found myself looking into the social welfare system of France. Through this process, I discovered that France spends considerably less than the US with regards to social welfare systems. I was curious as to what the results of less spending on social welfare is with regards to the poor, benefits and unemployment.

After our trip, I feel obligated to present my observations of Paris with reference to social welfare. One of the first things I noticed was the smell. The smell consisted of a combination of urine and cigarettes. On our first tour, our guide apologized on behalf of the city because of their inability to fix the public bathroom at the Notre Dame. I did notice the self-cleaning bathrooms, but after waiting in line for one, they seem too impractical because they may break down and they take too long for each person. This led me to believe that France must have little motivation to provide public bathrooms of practical use which could reflect on their social welfare system. The next thing I noticed was the extremely high tax rate of 30%. I don't understand where all of this money is

going, but it definitely creates a huge loss to citizens and visitors as it caused me to spend less while there. Moreover, these observations and my skim over the system while putting together our group project led me to start researching the social welfare system of France deeper. I found an article titled "CITIZENSHIP, SOCIAL WELFARE SYSTEM AND SOCIAL POLICIES IN FRANCE" written in a book called "European societies". Deciphering this article proved to be a daunting task as it carries the reader through each thought process of French citizens and the development of their social welfare system. Furthermore, I will attempt to untangle this complicated topic and commentate on it based on my observations.

To begin to understand how the welfare system in France works, one must understand how and on what grounds it began. When kings with absolute power were no longer the dominating governing force after the French revolution, a new government was created based on Republican values. These Republican values provided a form of citizenship that gave privileges and obligations for all persons born in France. This meant that voting was prevalent for citizens excluding women. The declaration of 1798 produced a system in the presence of 'natural human rights'. The term natural human rights refers to the historical development that leads up to one seeing something as an obvious right for all humans. An important result from the founding of this new system is the idea of "solidarism". Solidarity is a feeling of unity between people who have the same interests or goals. This value still holds consistent in France today. The idea of the new system, also known as the Republic, was to create a state that ensures that the feeling of solidarity is always present.

The Republic was successful with ensuring that the feeling of solidarity was present with citizens and it had many good and bad implications. To begin with, the post French revolution system allowed for the guarantee of the use of rights and obligations as a citizen. Because males born in France were the only

actual citizens, women and immigrants had few rights. There were many movements to generalize this system so that more people could be considered citizens and reap the rights and obligations, but the government refused this. This is a complex notion for me to understand as our government is founded for the people. In the US, if an ideal was shared among a majority of the population, the government simply could not refuse. I speculate that this may be a reason for the number of strikes in France because strikes may be one of the only ways citizens can get the government's attention. Continuing, women found themselves with little to no power and wanted a larger political presence. This took a long time as a political imbalance in the gender aspect remained in France until 1999. Another bad implication from the Republic was that the church found itself with almost no political power because it was governed by civil law. I find this as a bad implication because I think the church could be a major player with funding social welfare. Another result of the Republic, and arguably the best, was the creation of the public education system. This system required that education must be mandatory, free and lay. I have tried to decipher the meaning of the word lay in this context and I believe it means efficient and of some usefulness. Finally, a form of social welfare was created to prevent social risks of the poor such as sickness, but not to combat poverty. I also can't understand why the French state would not want to fight poverty as it is an issue that affects everyone. Anyway, it must be noted that a system was generated by the Committee on Begging in 1790 was once again refused by the French state because it was considered too general. When a different system titled 'L' Assistance Publique' was established to aid the vulnerable and poor citizens. The author of the article also notes that the system was a sort of negative response to the idea of charity. This was a confusing notion for me because I feel like the values in the US would not allow for the government to create something painting a negative picture on charity. The author notes that France set this system up partially to make the church look bad for giving out

charity. I just don't understand why anyone would see that as a positive aspect, but I guess that is just the French thought process. In summary, the establishment of the Republic had implications with regards to the lack of rights for women and minority, the church's political insignificance, the education system and the first French social welfare system.

Following the creation of the Republic, the next major change did not occur until after World War II when the Securite Sociale was created. This system was based on Bismarckian principles. This meant that the system was considered as a social insurance to cover social risks. It was very specific to each individual. By this I mean that it was income and job-risk based. Also, I found it interesting that another aspect of this new system is that workers and employers work together to agree on what the job benefits will be. This is much different to the US as this may be used as an incentive by the employer to attract people, but is not mandatory. In fact, it's not even a negotiation at all. One problem that remained even after this system was created is the lack of public assistance which may result in a continued poor class because this system only gives benefits and health services to the families of the workers. To summarize, the system Securite Sociale was created in order to ensure benefits and health services to workers and their families and the amount of benefits and health services was based on what their job was.

The next historical step for France with their social welfare system following the Securite Sociale was a move toward a more generalized system. We notice that when social movements arose in the past to generalize the system, the government denied them from proceeding. This is also something of intrigue to me as I don't understand the fear the French state had of a generalized system. I can understand that it may cost the state more money, but to me it seems unfair to deny social healthcare to immigrants. Henceforth, this does change when, in 1978, family benefits are provided to all residents of

France and in 2000, universal coverage is initiated. One problem that is still present today is a result of the Couverture Maladie Universelle (CMU). Recipients of healthcare benefits were required to pay some of the fees associated with health services. This is a problem because the poor find themselves unable to pay their health fees and therefore may avoid health services such as physicals or dentists. I find this sad because everyone needs these basic health services. It reminds me of our system as there are definitely people who have an insurance with a high deductible that may be hard to pay. Although, it is nice to, at the bare minimum, have a choice of what your deductible will be. Moreover, due to a Liberal trend in France, this fee has been reduced, but is still present.

Another result to the modern system is the RMI which is a process to provide healthcare services to the poor. It puts aside funds and provides entitlement for the poor to health services and housing benefits. It also gives the right to work as a response to social exclusion. A good result of the RMI is an improved feeling of solidarity because the poor class was no longer seen as disposable. A bad implication that occurred was that because it was not specific enough, the state still had control over the poor. The idea of the RMI seemed logical to me and seems like it would efficiently encourage the poor to have more success. Although, it is strange for me to understand someone given the right to work, but when I continued reading it gave me a very logical and obvious explanation. The author stated that unemployment is distributed among a specific social group that consists of mostly vulnerable people such as young people, older people, women, minorities and, most significantly, unskilled workers. After this was explained, I now understand how someone may see employment as a right, particularly if they are in the targeted group. One way the French state combatted this unemployment was encouraging training through various policy. By encouraging training, there will be more skilled workers and less vulnerable individuals. I find this to be the best policy that I have read about in this article up to this point (besides public education). It makes a lot of sense to give

everyone the opportunity to get out of the poor class through learning some sort of trade. To summarize the most recent social welfare movement, various programs have been set up in order to increase concrete benefits and individual power.

To conclude, it seems that the vulnerable individuals are still not given enough tools to arise from poverty based on my observations in Paris. I find the system in France to be very complex and I was always taught that simplicity is key. I think narrowing down all these various programs to one system would be the most successful. Although, after extensively researching France, it is apparent to me that the French do not believe in monopolies even if they are government programs. Therefore, they would most likely find this solution to be absurd. It is hard for me to see unemployment changing anytime soon in France. It seems as if their system has become much more complex over time and had little effect on their society. After reading this article, I can't help, but feel extremely patriotic for the system that we have in the US. Although it has its flaws, it seems to be working much better than the French system.