
In search of French competitiveness through systematic firm and sectoral-level analysis

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Résumé

Although there is much analysis of French industry and its underperformance compared to Germany since the global recession, this critique tends not to be linked to a related analysis of French firm-level dynamics. Firm-level research is more relevant than ever to understand the evolving structures of value creation, capture and extraction by different economic actors and the widening inequality between them. As neoliberalism and financialization increasingly influence western capitalism, the firm as a unit of analysis has become critical to understand the conditions for industrial success and failure of nations, including France. Unfortunately, questions raised by the Regulation School concerning industrial dynamics and their firm-level repercussions did not evolve into a shared research agenda for studying the micro-dynamics of capitalist economies in the 21st century. This is particularly valid for France where the School was originally founded.

This paper seeks to identify the weaknesses and strengths of French industry over the pre and post-recession periods through an analysis of most recent research, including official reports based on national and international data. We identify the most highlighted but sometimes contradictory issues of French competitiveness by the literature from macro as well as micro perspectives together with the underlying hypotheses and causalities proposed by researchers related to these issues.

After we develop our own understanding of the issues of French competitiveness from a strategic control and financial commitment perspective à la Lazonick, in the second part of the paper, we present the industry level data for sources and uses of funds of large French firms in comparison with their British and German counterparts to highlight the changing patterns of earning and spending of major industrial firms in France. This contributes to our understanding of practices of French firms differ from or converge towards those of their rivals to explain the dwindling market share of French firms in certain industries. However, the competitiveness of French firms in different industries varies and its position in some high-tech sectors is improving. In the last part of our paper, therefore, we analyze the social conditions of innovation for a selected number of firms in aerospace, pharmaceutical, automotive and telecommunications equipment industries where French firms are exhibiting a divergent pattern of competitiveness and innovative capacity.

Mots-Clés: France, competitiveness, firm, industry, sources, uses, funds

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