
Economic Policies and Productive Structure in France: what national interests?

Orsola Costantini*¹ and Annamaria Simonazzi*²

¹Institute for New Economic Thinking – États-Unis

²Università di Roma - la Sapienza – Italie

Résumé

Most observers agree that the Eurozone crisis derives from a poorly designed institutional setting, which exposes member countries to sovereign default risk, and artificially constrains their fiscal action. The political nature of the problem generates puzzlement about why some European countries locked themselves into a self-damaging position in the first place, and bewilderment about why they do not coordinate better or simply get out of the Euro straightjacket. This presentation aims at answering these questions, focusing on a triad of countries, France, Germany and Italy.

The birth of the EMS and the Maastricht Treaty represent two crucial points of observation: How did different interests combine to produce the key choices behind those landmark new institutions? Which interests were defeated and which coalitions developed?

To answer that question, we develop an account of the differences in the economic structure of the three countries, as they developed from the post-War economic framework and traditions of each country into the 1970s. Those structures created the conditions for the events of the 80s and 90s to unfold.

Since then, the national and supranational articulation of interests acted upon three crucial policy dimensions which, in a non-harmonized single market, determined national divergences: real exchange rates and internal demand policies, industrial policy (privatizations, subsidies and incentives), and capital mobility.

The hybrid national and supra-national character of the European Union creates a bias toward a country-level assessment of competitiveness and often blinds the policy-maker. Could a wider consideration of the spillover effects of national policies provide the incentive to develop a common fiscal policy for equitable growth?

Mots-Clés: European Union, Economic Structure, Sovereignty

*Intervenant