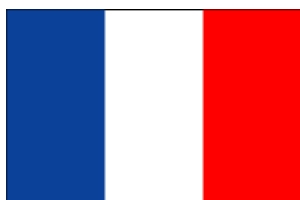


COUNTRY PROFILE



France

GLOBAL RANK: 14th= of 104



France shares 14th place with the UK, Norway, Belgium and Canada, coming 11th in Economic Competitiveness and 16th in Comparative Liveability. The country displays the low levels of religious faith and high levels of divorce common amongst Western European countries.

BACKGROUND

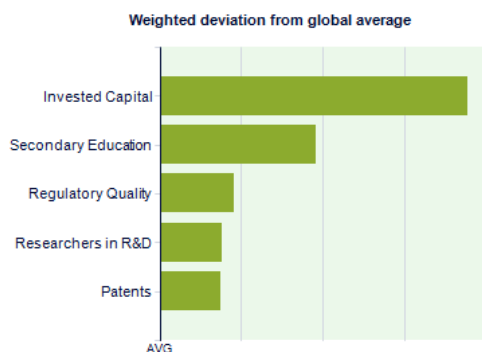
France is one of the oldest and wealthiest democracies in the West, but in recent years the country has struggled with a general economic malaise and a political uncertainty about how best to undertake reform. Government attempts to reform the pensions system and restrictive labour laws have been consistently opposed by unions, who play a major role in France's economy. French agriculture, which is the world's second-largest food exporter, is heavily protected and subsidised by the EU. Tourism is also a major economic sector: French culture and food have a unique global prominence, and France is the world's most-visited country.

FAST FACTS

Population:	64 million (2008 est.)	FDI (net inflow):	5.97% (2006 est.)
Life Today	6.8 (2006 est.)	Exports	21.67% (2006 est.)
GDP (PPP)	\$2.05 trillion (2007 est.)	Imports	23.84% (2006 est.)
GDP (Growth)	1.9% (2007 est.)	Unemployment:	8.3% (2007 est.)
GDP (per Capita)	\$33,200 (2007 est.)	Life Expectancy	80.87 years (2008 est.)
Political System:	Republic		
Foreign Aid:	No data		

KEY SCORE DRIVERS

ECONOMIC COMPETITIVENESS

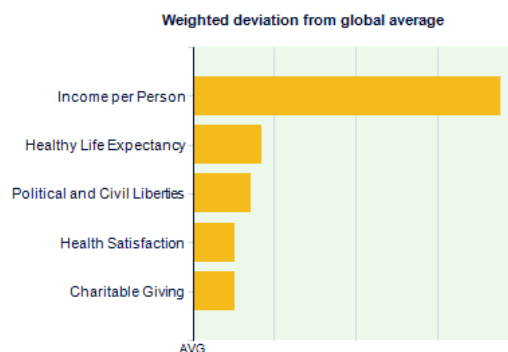


France has an advanced industrial economy that provides a high level of Economic Competitiveness for its citizens. Levels of accumulated capital investment per worker are high, resulting in highly competitive enterprises that are the bedrock of national wealth creation. This is supported by a sound regulatory infrastructure and good quality of regulation.

Although the cost of starting a business compares favourably with that of other developed countries, the level of business ownership per capita is only 65% of Spain and 53% of the Netherlands. This indicates a relatively low prevalence of entrepreneurship in France.

The country's strong mass education system is a key factor in its

COMPARATIVE LIVEABILITY



With public sector spending totalling more than half of the country's economic output, the French state plays an extensive role in supporting the individual wellbeing of citizens, including through high quality national healthcare. This healthcare spending results in a strong performance on objective and subjective indicators: health-adjusted life expectancy is 72 years, and opinion polls show that 88%⁹ of French citizens are happy with their own personal health.

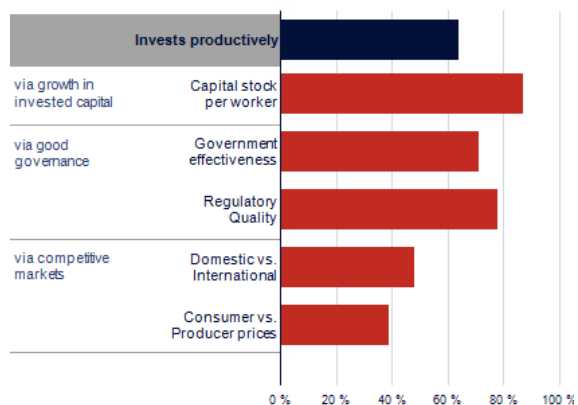
With a mature and productive national economy, the working lives of most French citizens provide them with a high level of material comfort. Average working time is a moderate 37 hours, and the daily leisure time of 7⁹ hours is greater than many of France's European counterparts.

prosperity, with the secondary education stock averaging 4.04 years per worker, although this is unexceptional for the region. Compared to other advanced industrial economies, France performs solidly, if not exceptionally, in measures of innovation, such as patent registration and the number of researchers in R&D. The economy is moderately open, attracting a consistent flow of foreign direct investment to France's high-technology industries. All in all, France performs well on most economic indicators in the Index, although it lags behind the European leaders.

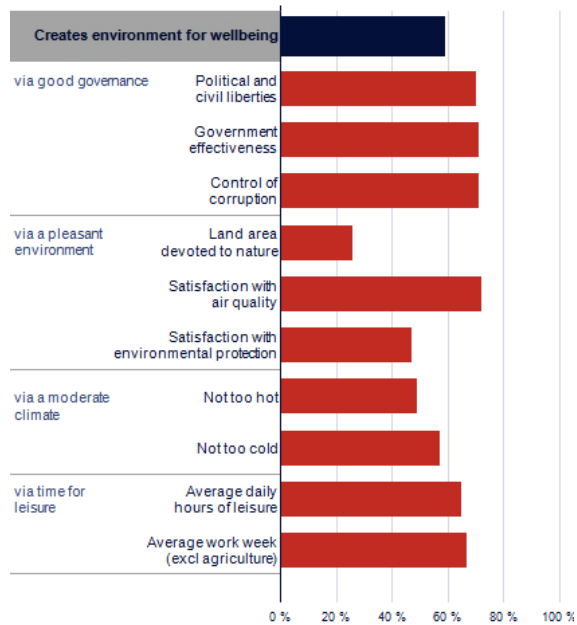
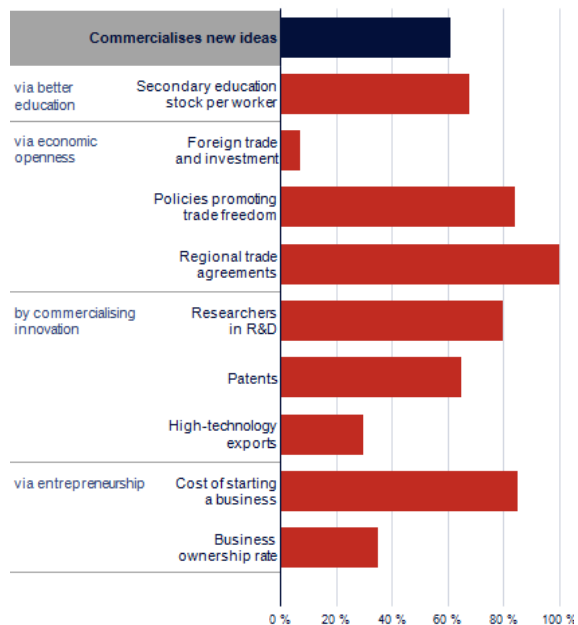
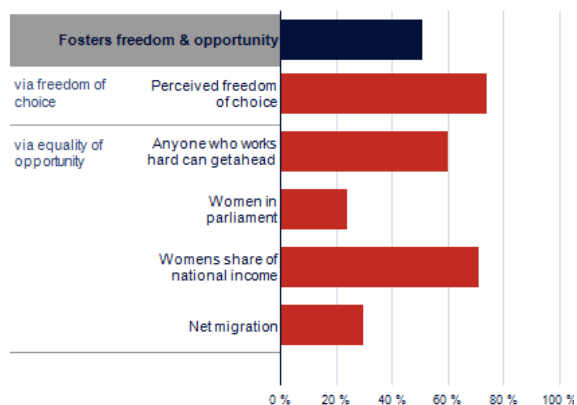
Yet the tight labour market regulation and heavy state involvement in the economy that makes this possible also produces a high rate of unemployment, which has averaged 9% in recent years. This has severely detrimental effects on the Comparative Liveability of those lacking jobs. More generally, the Gallup World Poll reports relatively fatalistic attitudes among French citizens on whether personal endeavour can lead to success in life, which also negatively affects the country's opportunity score.

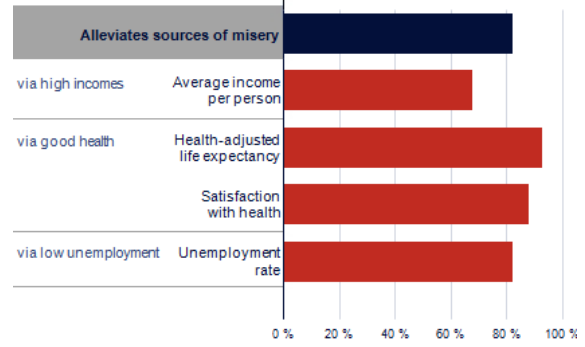
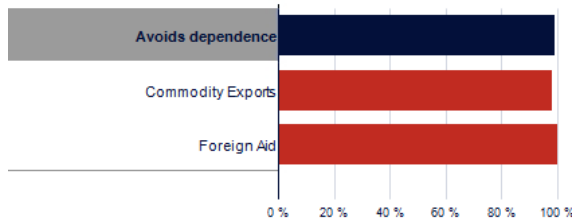
Nonetheless, France scores well overall. It performs well on basic indicators, such as high incomes, and also creates a good standard of civic life in which corruption is kept low and political rights and civil liberties are effectively protected.

ECONOMIC COMPETITIVENESS: SCORECARD

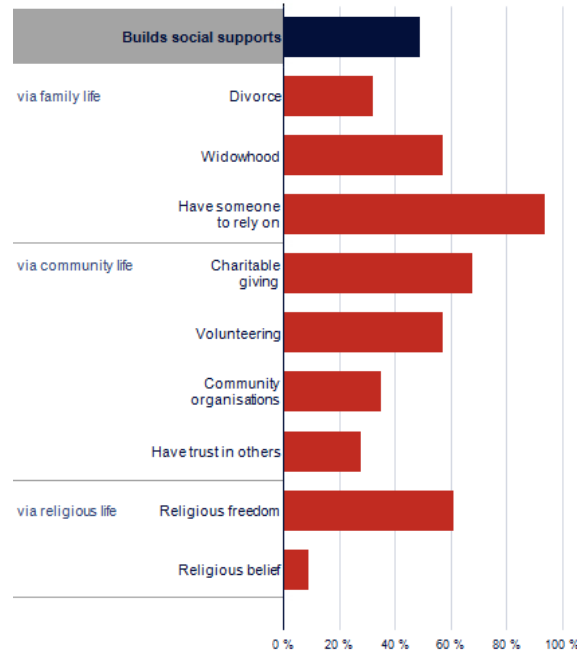


COMPARATIVE LIVEABILITY: SCORECARD





All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



References:

^{9, w} See www.prosperity.com/references.aspx for further details including date of survey, sample size, and margin of error.