



COMMENT & ANALYSIS

Letters

Ownership and self-help will best protect French employee interests

By Lawrence Kogan

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From Mr Lawrence Kogan.

Sir, Medef, the French employers' union, and its president Laurence Parisot should be congratulated for publicly weighing in on the upcoming French presidential election ("Employers aim to put business at heart of France's election campaign", January 26). In particular, they should be applauded for their candid call for less burdensome regulation and taxation and for a more enterprise friendly and flexible market environment that would facilitate rather than impede the expansion and creation of businesses within France.

Given that France is, as your report put it, "a country sometimes jokingly described as the last surviving communist system in Europe" - which explains why "much of the rhetoric from mainstream French politicians . . . has a Marxist ring to it" ("Behold Marx's twitch", December 27 2006) as well as the yearning of French youth for eternal job security and a ridiculously short working week - it is a wonder that France even managed to rank 44th and 35th, respectively, in the World Bank's 2006 and 2007 Ease of Doing Business reports.

Ms Parisot is absolutely correct in asserting that the total cost of employing a worker in France is so high that it constrains business and job growth, badly needed company investments and entrepreneurial risk-taking. She is also correct in warning that unless some level of free market reform is permitted to take place, France is unlikely "to revive its flagging growth and competitiveness". What she really means to say is that France can no longer rely on "tried and true" trade protectionism to compensate for its innovation, productivity and competitiveness conundrums. However, to assume that "any real change could be implemented after the next presidential election" in a culture that has prided

itself since time immemorial on the notion that *plus ça change, plus c'est la même chose* would appear to be wishful thinking.

Indeed, one may argue that the Medef report's recommendation that "wider union membership" is necessary "to ensure proper dialogue between employers and workers" misses the mark altogether. The report should have instead included a discussion about the economic and social benefits and opportunities that company employee stock ownership plans (ESOPs) might offer workers - namely a vested private equity stake in promoting the success of the very same enterprise that employs them. Consistent with France's philosophical tradition, Medef should have made the existentialist point that private property ownership and self-help, rather than dialogue and government-imposed regulation, is what will best protect French employee interests.

Perhaps, to prevent the evolving campaigns of France's presidential contenders from otherwise devolving into the socialist demagoguery about which Ms Parisot and Medef were originally concerned, she might consider revising the title of Medef's white paper from a "A Need for Air" to "No Need for Hot Air".

Lawrence Kogan,

Chief Executive,

Institute for Trade, Standards and Sustainable Development,

Princeton, NJ 08540, US

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