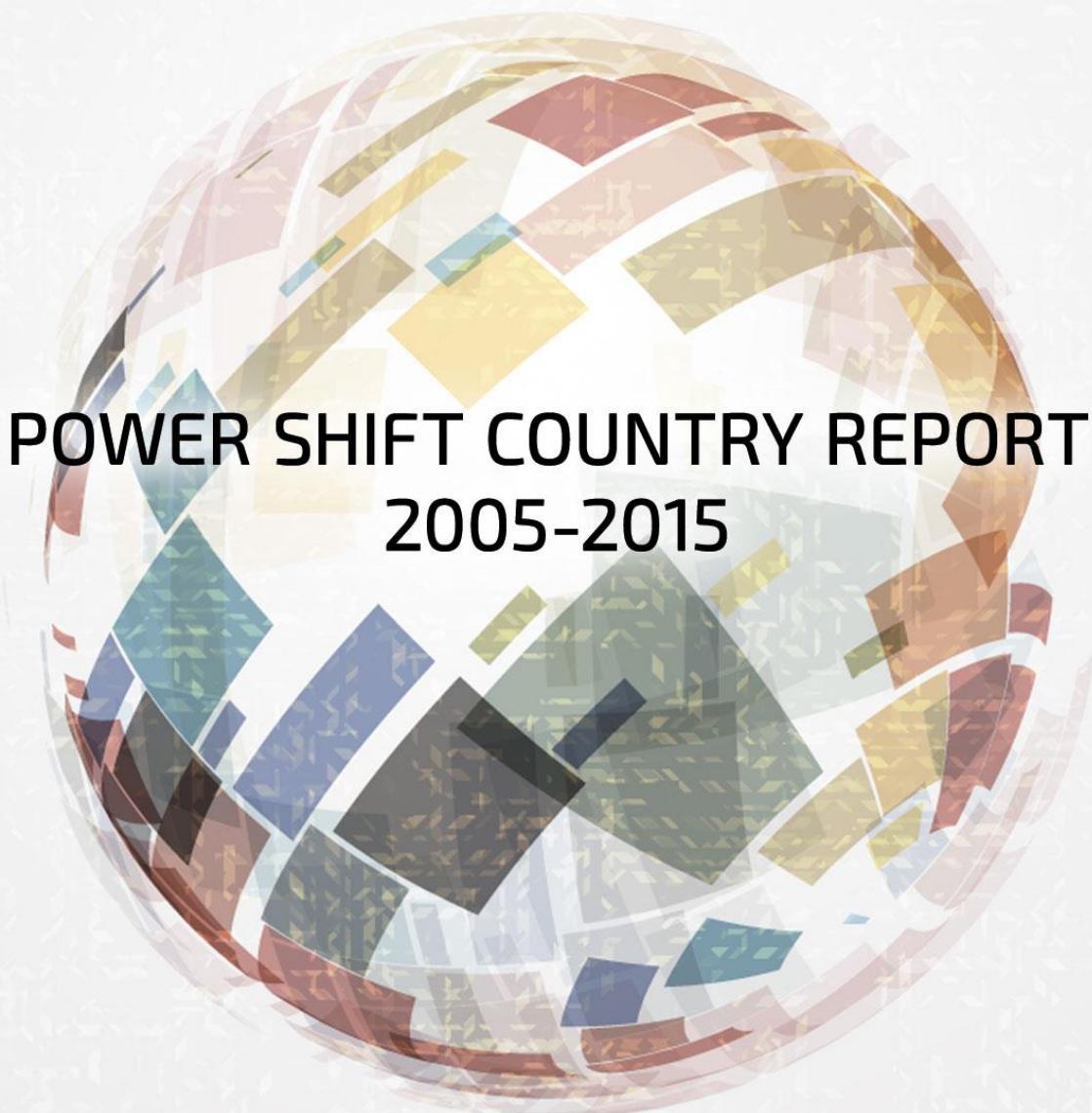


FRANCE

POWER SHIFT COUNTRY REPORT 2005-2015



France's threatened Grandeur

France, once a European Great Power, is nowadays usually classified as a middle power.¹ Being a central driver for European integration and holding a permanent seat on the UN Security Council arguably fosters France's prolonged self-image of greatness, or "la grandeur". The Bonn Power Shift Monitor, however, registers a significant loss of global weight as visible in a negative Power Shift Rate (PSR -0.94) – a power loss of 22.1 percent. Ranking the G20 countries by power, France has dropped from rank six in 2005 to seven in 2015 with a Power Score of 3.32. Thus, l'hexagone is still among the top 10 of the most powerful individual states in the G20, but due to its relative losses, the rising India has overtaken its position. Its losing momentum is stressed by the loss of international shares in each BPSM category which raise doubts about the sustainability of Paris' grandeur-image.

Third Largest Power Loser

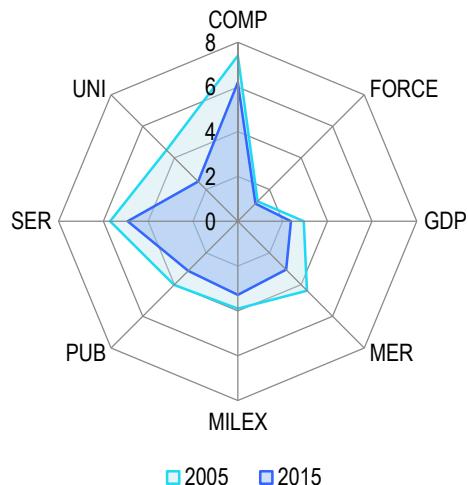
These changes place France as the third largest power loser within the G20, followed only by Japan and the US. In this case, relative and absolute numbers align: France shows also one of the weakest country growth rates (CC +7.19). This measure of combined development is independent of other states and thus signals that France presents a comparably small internal dynamic. Its overall power reduction is strongly connected to losses in the categories universities, merchandise exports and companies.

Power Shift 2005-2015



Paris started off the observation period sharing the third most Fortune 500 entries with Germany – both listed 37 top businesses. This category records France's highest global share in the BPSM signaling particular structural advantages. Unlike the UK, France's leading companies have been affected by the financial crisis with some delay: after 2010, seven out of 38 left the list of globally leading companies. Nevertheless, France defends its structural advantage presenting the fourth most top businesses of the G20 in 2015. While it holds 31 large companies since 2011, among them famous brands such as dior and l'oreal, its loss since

France's Global Shares



2005 still underlines reduced influence (COMP: MC -1.2; ICR -16.22).

The reduced weight is also visible all other economic categories: France's GDP amounts to \$2.743 billion as of 2015, ranking it on 9th with the UK closely following. The Fifth Republic started off on rank 8, but was passed by the fast-growing Indonesia in 2014. Despite moderate growth in GDP, France's shares have seen a continuous fall from 2.95 percent to 2.38 percent between 2005 and 2015 as it stays behind the pace of rising economies.

The second greatest loss in global weight is measured in the category of merchandise trade in which France is the sixth largest exporting nation in 2015. While steadily growing in absolute terms amounting to \$616 billion in 2008, it saw a heavy drop due to the financial crisis. France's relative shares were hardly affected, as states with considerable higher shares (e.g. Germany or the US) experienced even steeper downturns. Yet the 2014-backdrop in merchandise exports enabled South Korea to overtake France in relative and absolute terms indicating a loss in capacities to affect economic structures according to Paris' interests.

Its service exports seem more stable: Despite a decline in shares (MC -0.78), France has increased its absolute export volume by almost 60 percent (ICR) producing around five percent of all service exports around the globe. Indeed, France's and Germany's developments largely align in this case, with absolute numbers dropping significantly in 2008, then steadily growing until dropping once more in 2014. Holding the position as the fourths greatest service exporter of the individual G20 states after the United States, the UK and Germany illustrates France's

¹ Bozo 2016 : 192

great competitiveness in a globalized economy and the importance of the service sector for France's economy as a whole.

Losing Academic Excellence

Taking a look at the academic reputation of the country, it seems questionable if France can hold this favorable position in the longer run. Over the review period, it has lost four universities on the list of the world's top 200 which is the gravest factor for its declined power. As the Fifth Republic presents only five top universities on the list in 2015, it hosts significantly less than Germany (11) or the UK (30) in that year. This abrupt loss in elite universities happened between 2005 and 2008, the number fluctuating almost annually between four and five ever since. This development almost resembles an inverted curve of Germany, though France's initial drop is unmatched by Germany's progressive increase.

While French publications have been slightly decreasing in international terms, the loss of 0.89 percent (MC) to 3.13 percent of the global scientific articles in 2015 is relatively moderate. In absolute terms, the number of publications has been steadily growing from around 60,000 in 2005 until peaking in 2013 at 75,266 and shrinking slightly ever since. The most recent drop in publications has brought France close to Italy (2015: 70,814) which stays on the rising path and may overtake its neighbor if it does not reinforce knowledge production. Relative losses on the global scale are driven by the immense growth of Chinese and Indian publications – the later overtook France in 2011 illustrating the new competition that confronts the traditional knowledge powers. The BPSM thus hints at loosing academic excellence in international terms which may affect hard, soft and structural power alike. The need to strengthen research capabilities has yet been realized by the government promoting the 2015-20 National Research Strategy which aims to maintain and foster France's competitiveness in scientific research.²

Strong Military Capacities

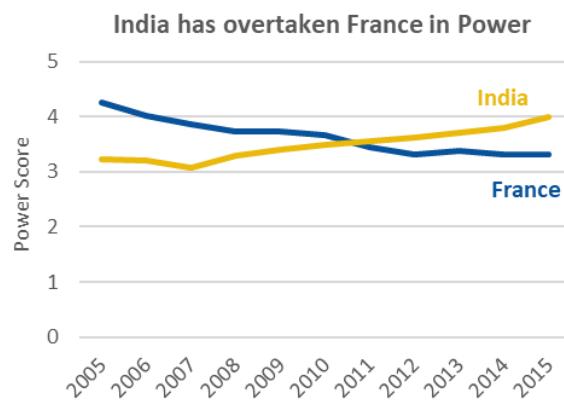
France's main strategic principles have been abstracted as the trinity of claiming a global role of power, upholding its nuclear deterrence and the idea of a strong European defense.³ These goals are challenged by the impact of the financial crisis, new rising powers, and new threats of global terrorism. Especially the latter questions traditional means of force and diplomacy and

calls for strategic reorientation, as illustrated in the White Papers in 2008 and 2013.⁴

These points illustrate an ambitious hard power orientation that contributes to comparably high military expenses. From 2005 to 2015 these expenditures rose from \$53.7 billion to \$55.3 billion making France the fifth largest defense spender on the list after the United States, China, Saudi Arabia and Russia. In absolute terms, the French spending peaked in 2009 and slightly declined until 2013. Since then, France's military budget, like Germany's but unlike the UK's is growing once more. As Saudi Arabia and Russia have passed France in 2011 and 2012, the spending gap has widened as both states have strongly increased their respective military budget. Yet the increase in spending in 2014 makes France the biggest G20 European military spender – even slightly in front of the UK.

The impression of France as a European hard power is reinforced by the size of its armed troops that is only outnumbered by Italy on the list. In contrast to the spending level, France has reduced its force personnel by almost 15 percent over the review period which also results in an incremental decrease of global shares.

The downsizing indicates some discrepancy to its hard power projection abroad. While the 2013 White Paper aims for greater operational readiness, it also recognizes financial constraints that may potentially limit modernization.⁵ Due to higher terrorist threats as the November 2015 Paris attacks, the administration has shifted towards a stronger security approach that may adjust the BPSM upwards.



Losing la Grandeur

Giving an overall résumé on French power shifts, no BPSM category gives reason for optimism. Paris' global influence seems in a moderate, though considerable decline. While the ongoing recovery from the European financial crisis for various indicators has yet to reveal whether France can reclaim the role of an economic global player, its focus on hard military power might provide it with leverage particularly within the European Union after Brexit. Nevertheless, the overall power decline indicates that France has lost some of its original grandeur in the years of review.

² OECD 2016: 2

³ Charillon 2011: 5

⁴ La Documentation française 2008

⁵ La Documentation française 2013

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Country Data France			2005		2015		2005/15				
Indicator	Code	Unit	Source	total	CS	total	CS	ICR	MC	CC	PSR
GDP	GDP	PPP; current int. Dollar	World Bank	1.93 trillion	2.95	2.74 trillion	2.38	41.89	-0.57	7.19	-0.94
Merchandise exports	MER	Total, current USD	World Bank	463.42 billion	4.38	505.78 billion	3.05	9.14	-1.33		
Service exports	SER	Total, current USD	World Bank	153.27 billion	5.70	241.47 billion	4.92	57.55	-0.78		
Armed Forces	FORCE	Total number of personnel	World Bank	359,000	1.26	306,350	1.12	-14.67	-0.14		
Military Spending	MILEX	Constant 2015 USD m	Stockholm Institute for Peace Research	53,714	3.91	55,342	3.29	3.03	-0.62		
Top Companies	COMP	Total of Top 500	Fortune	37	7.40	31	6.20	-16.22	-1.20		
Top Universities	UNI	Total of Top 200	QS World University Ranking	9	4.50	5	2.50	-44.44	-2.00		
Publications	PUB	Number of S&E Articles	National Science Foundation	59,581.4	4.02	72,224.4	3.13	21.22	-0.89		

Red numbers consist of uncertain estimates or a BPSM input if the start value equals zero; Figures in blue are SIPRI estimates.
 CS: Country Share in percent of the world's total; ICR: Indicator Change Rate in percent between two point in time; MC: Market Change, measures the difference of a country's share between two points in time in percent; CC: Rate of Country Change, gives the average of country shares; PSR: Power Shift Rate, difference between the Power Scores of two point in time / average of all market change rates.