



FRANCE ATTRACTIVENESS SCOREBOARD

QUALITY OF LIFE

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Quality of life is a decisive factor when talent is deciding where to establish itself. It is essential for attracting skilled workers who are increasingly mobile between regions.

A few key indicators enable quality of life to be understood, such as life expectancy, access to healthcare and the availability of cultural activities. The level of spending in public services (education, healthcare, housing, transport, culture, etc.) is also telling about their quality and accessibility.

In France, the public system offers a range of free, high-quality services, particularly in education and healthcare, while supporting household living standards. This means that France is one of the world's best countries in terms of access to healthcare and public spending on social protection.

Health and access to healthcare are among the primary determinants of quality of life.

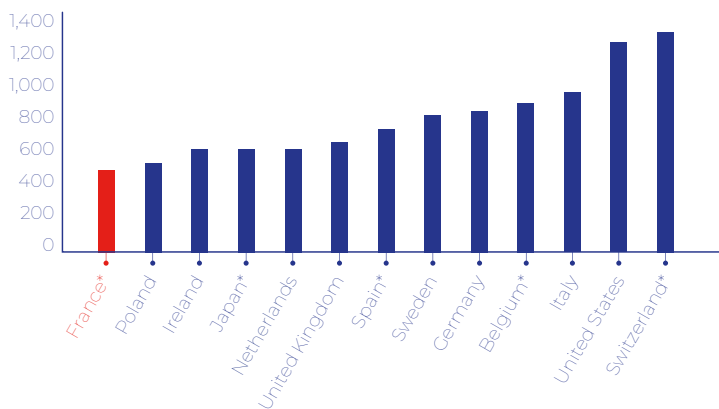
According to OECD data, life expectancy in France is among the highest in the world. In 2021, France boasted life expectancy at birth of 82.5 years, ahead of the United Kingdom (80.4 in 2020) and the United States (77 in 2020).

The accessibility of a healthcare system reveals the level of financial support provided by the authorities for national health objectives. A poorly accessible system will delay the decision to consult a healthcare professional, which may have harmful health consequences, as well as financial consequences, due to late hospitalizations. This accessibility can be measured by the number of direct payments from households for health services. **This amount is particularly low in France, which is ranked first in our sample.**

This very moderate level of out-of-pocket expenses for health services in France is explained by the high level of financial commitment by the public sector. In 2020, the year of the Covid-19 pandemic, **public healthcare expenditure in France equated to 10.3% of GDP, i.e. 84.7% of total healthcare expenditure, with France boasting the fifth best public healthcare expenditure in our sample, after Germany, Sweden, the Netherlands and the United States.**

FIG. 1

ACCESS TO HEALTHCARE (2021)
PRIVATE OUT-OF-POCKET PAYMENTS PER CAPITA
US\$ PPP

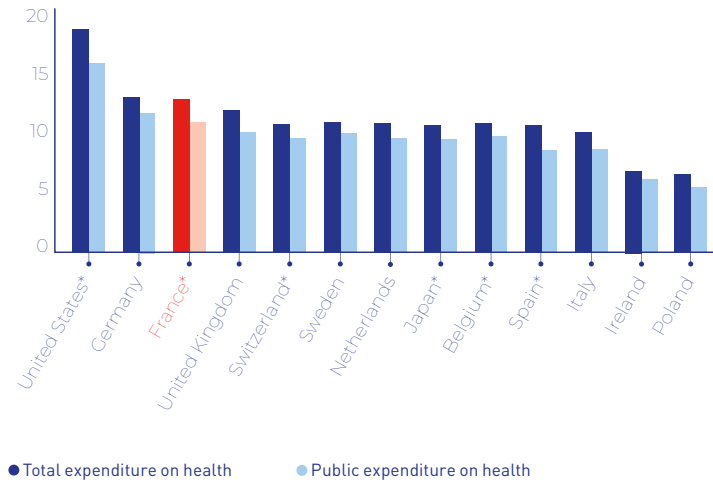


* Data for 2020

Source: OECD, 2022

FIG. 2

HEALTH SPENDING (2021)
% OF GDP



* Data for 2020

Source: OECD, 2022

Education and collective childcare provision are other fundamental aspects of the quality of life that a country offers. An effective education system sends the signal of a determined commitment to the future (cf. Education and Human Capital Booklet).

Since 2019, pre-primary education from the age of three has become compulsory in France, signaling a desire to fight inequalities from an early age. **One hundred percent of children aged three to five are enrolled in pre-primary or primary school in France**, which is at the same level as the United Kingdom and ahead of Germany (93.7%). In 2020, 58% of children aged from zero to two were enrolled in formal or pre-school childcare in France, second in our sample, after the Netherlands (69.4%).

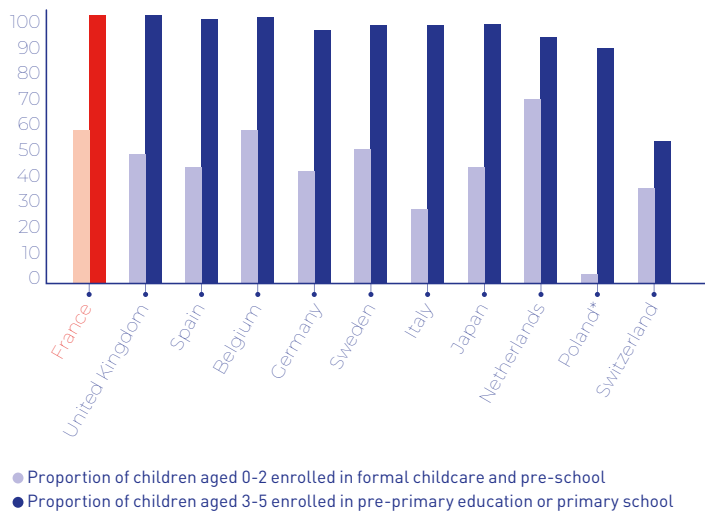
Childcare services are affordable in France and enable parents to invest in their professional life. In 2022, net expenditure for a household consisting of a couple and two children who use childcare services reached 10% of the net household income in France (for a couple whose two members receive an income equal to the average salary), after Germany (1%), but ahead of the United States (20%) and the United Kingdom (16%). French efforts in

terms of availability of childcare for young children are ongoing, notably with the announcement of a plan in June 2023, which strengthens investments for early childhood and plans to create 200,000 additional nursery places by the end of the decade.

Another indicator which reflects the level of state support available to a country's families is the amount of paid maternity, paternity and parental leave for mothers and fathers. Maternity leave for mothers in France now stands at 16 weeks (OECD data), more than in Germany (14 weeks) or Sweden (13 weeks). France is working for greater equality between men and women when a child arrives and has extended paternity leave to 28 days for fathers since July 1, 2021, compared with 14 previously. France is ranked among the leading nations on this issue.

FIG. 3

SCHOOL AND PRE-SCHOOL FOR CHILDREN AGED 0-5 (2020)
% OF THE TOTAL FOR EACH AGE CATEGORY

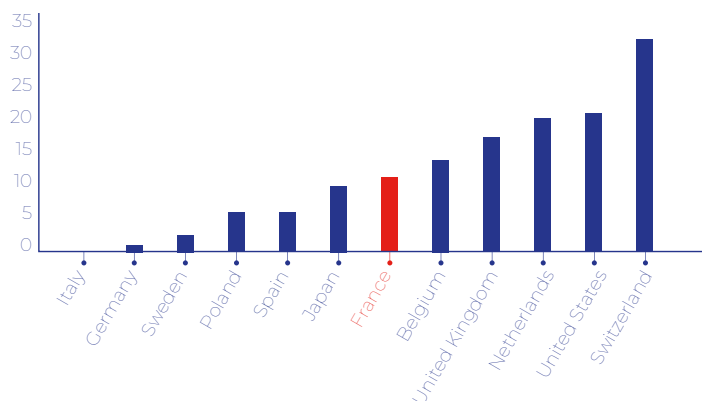


* Data for 2018

Source: OECD, 2022

FIG. 4

NET CHILDCARE COST FOR PARENTS USING CHILDCARE (2022)
FOR A COUPLE WITH TWO CHILDREN WITH TWO INCOMES EQUAL TO THE AVERAGE WAGE
% OF NET HOUSEHOLD INCOME



Source: OECD, 2022

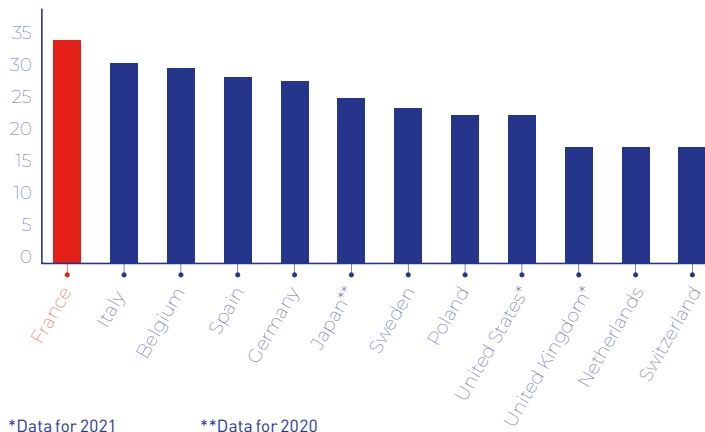
The social protection a country offers its residents takes a variety of forms: family allowances, paid leave, housing aid, unemployment benefits, etc.

Public spending on social protection – covering disabilities, family/children, housing, social exclusion, old age, illness, healthcare and unemployment benefits – amounted to 31.6% of GDP in France. **This figure reflects the high level of social protection enjoyed by French residents and places France in first place** in our sample for public spending on social protection, ahead of Germany (26.7%), the United Kingdom (22.1%) and the United States (22.7%).

When it comes to public spending on social protection, France is also well placed. It is ranked third in Europe for the share of GDP dedicated to unemployment benefits (1.2% in 2019 and up to 3.2% in 2020, the year of the Covid-19 pandemic) and first for housing assistance (0.7% of GDP).

FIG. 5

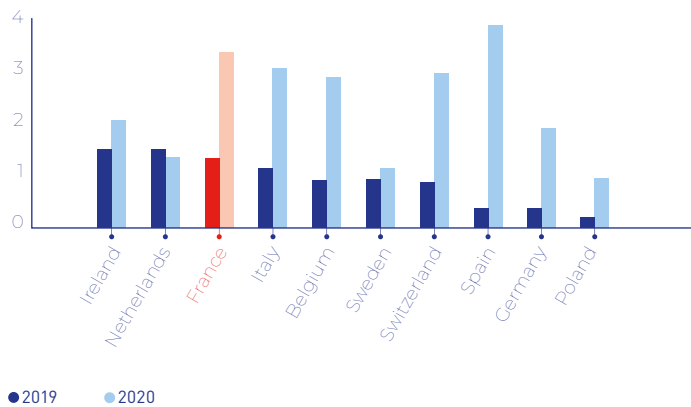
PUBLIC SPENDING ON SOCIAL PROTECTION (2022)
% OF GDP



Source: OECD, 2022

FIG. 6

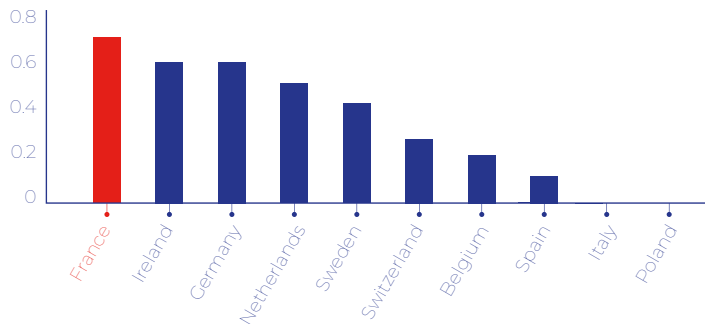
PUBLIC SPENDING ON SOCIAL PROTECTION (2022)
UNEMPLOYMENT
% OF GDP



Source: Eurostat, 2022

FIG. 7

PUBLIC SPENDING ON SOCIAL PROTECTION (2022)
HOUSING ASSISTANCE
% OF GDP

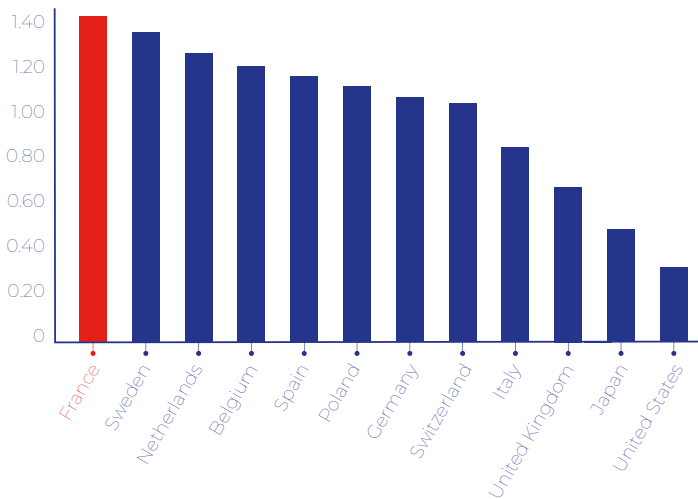


Source: Eurostat, 2022

Finally, the level of public spending for culture and leisure confirms the steadfast commitment of citizens to quality of life in France, with France spending the equivalent of 1.4% of GDP on culture and leisure activities in 2021. It is ranked top in our sample for this indicator.

FIG. 8

PUBLIC SPENDING FOR CULTURE AND LEISURE (EXCLUDING R&D) (2021)
% OF GDP



Source: OECD, 2022

France offers its inhabitants an excellent quality of life, with easy access to healthcare, high social protection, an effective education system and cultural activities. This living environment is mainly funded through public spending, without penalizing residents' income or standard of living.

As well as providing a social protection system that is solidarity based and accessible to all, France ensures residents have a high level of adjusted net income. This indicator measures the maximum amount that a household can spend without getting into debt or reducing its wealth: it is all the income a household has before deductions (earnings, property income, etc.), adding social transfers in cash (social minima, family allowance, retirement pensions, unemployment benefit, etc.).

In 2021, France's average adjusted net disposable income came in at nearly US\$40,000, after the United States (US\$62,334) and Germany (US\$44,444), but ahead of Sweden (US\$37,105) and the United Kingdom (US\$36,793).

Income inequalities have a significant impact on the quality of life of households. Through a system of deductions and state aid, the French authorities actively participate in reducing inequalities to promote living together. The Gini coefficient, which measures these inequalities (see methodology hereafter), was established in France at a level of 0.29 in 2020 after redistribution, i.e. a better level than the United Kingdom (0.335) and equivalent to that of Germany (0.29). The interdecile ratio of living standards (P80/P20), which is a measure of income distribution (see methodology hereafter) also places France (4.4) at a better level than Germany (4.6) and the United Kingdom (6.1).

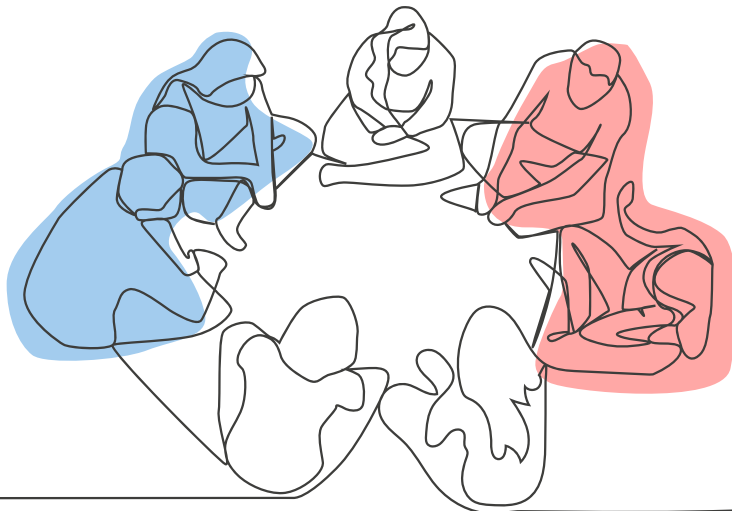
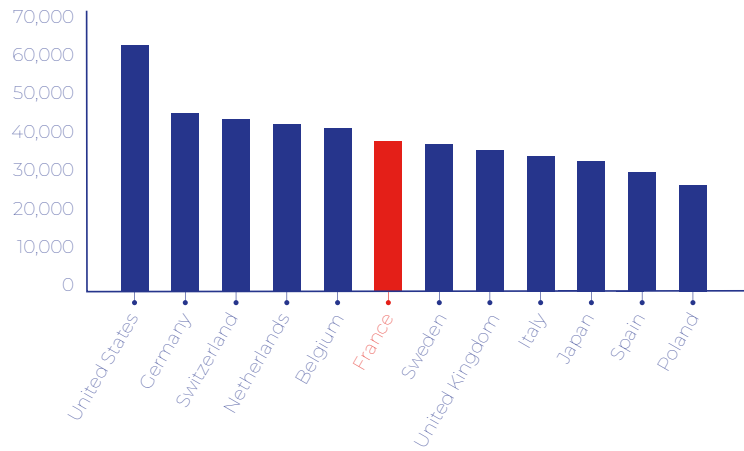


FIG. 9

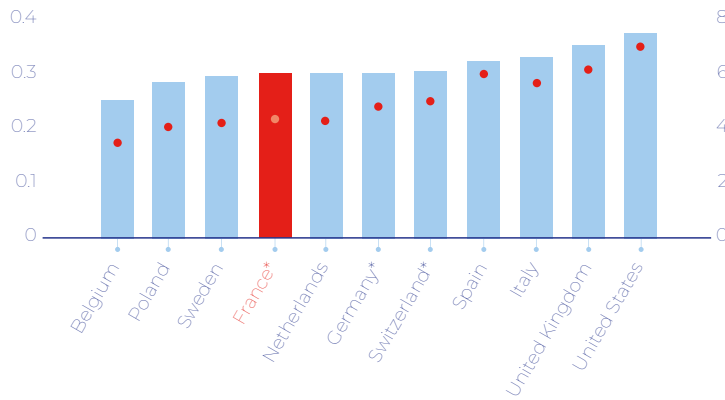
NET ADJUSTED HOUSEHOLD DISPOSABLE INCOME (2021)
US\$ PPP



Source: OECD, 2022

FIG. 10

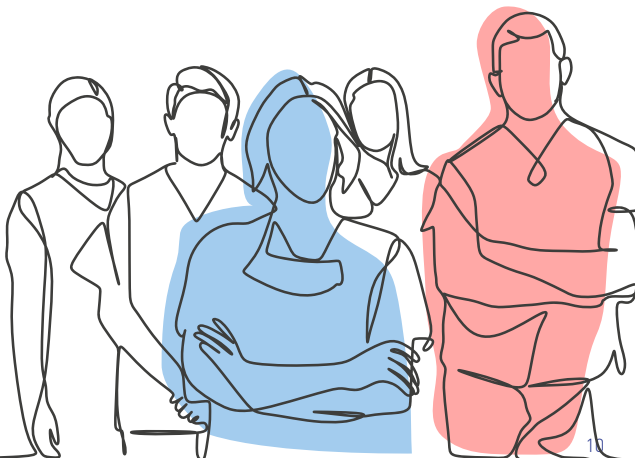
INCOME INEQUALITY (2020)



● Coefficient de Gini co-efficient (left axis)
● Interdecile ratio D80/D20 (right axis)

* Data for 2019

Source: OECD, 2020

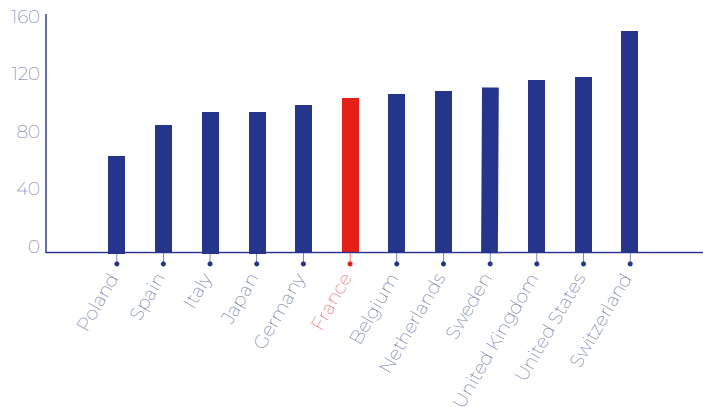


Lastly, the OECD calculates a monthly indicator of comparative price levels in member countries: based on a representative basket of goods and services, it can be used to obtain comparative price levels relative to a baseline country. According to this indicator, prices in Switzerland, the United States, the United Kingdom, Sweden, the Netherlands and Belgium are higher than in France, while prices are lower in Poland, Spain, Italy, Japan and Germany.

France managed to keep prices down in 2022, in contrast with the other countries in our sample. France set an example by keeping inflation at a relatively low level (5.2% year-on-year), the second-best performance among the countries studied.

FIG. 11

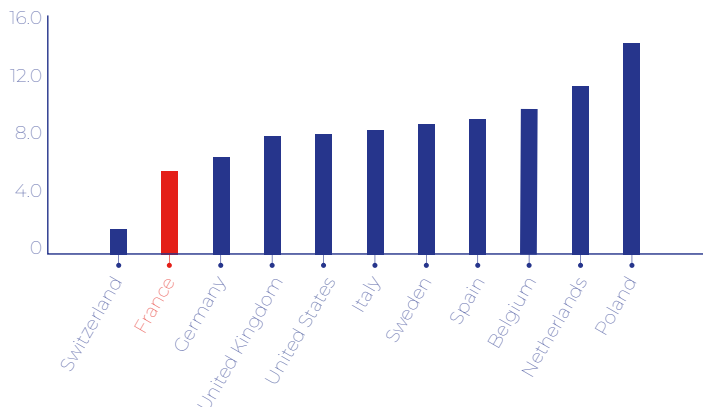
COMPARATIVE PRICE LEVELS (APRIL 2023)
€ PPP, FRANCE = 100



Source: OECD, 2023

FIG. 12

YEAR-ON-YEAR INFLATION (2022)



Source: OECD, 2023

Methodology

Measuring living standards distribution inequality

The Gini coefficient is used to measure the degree of overall living standards inequality within a country. It ranges from zero to one, with zero indicating perfect equality, where each household receives the same income, and one indicating complete inequality, where all the income goes to a single household. The higher the Gini number (closer to one) is, the higher the level of inequality becomes. A fall in the Gini number indicates an overall decline in living standards inequality.

The living standards interdecile ratio (P80/P20) is calculated as the threshold income of the highest 20% of living standards at the 80th percentile (P80) and the threshold income of the lowest 20% of living standards at the 20th percentile (P20). The higher the income interdecile ratio is, the higher are income differences, and the more unequal incomes are distributed in society.

UNDP human development index

The HDI is a summary composite index that gauges a country's average achievements in three fundamental aspects of human development: a long healthy life (health), access to knowledge (education) and a decent standard of living (income).

The HDI index was created to bring attention to the fact that the ideal measure of a country's development lies in the ability of people to act, not simply economic growth. The HDI can also be used to evaluate domestic policy decisions, by studying how two countries with the same per capita gross national income can produce such disparate levels of human development.

In 2021, France's index score was 0.903, placing it among countries with a very high level of human development. France was ranked 28th in the world, after Switzerland (first place worldwide, with an HDI score of 0.962), Germany (ninth place, with an HDI score of 0.942), the United Kingdom (18th place, with an HDI score of 0.929) and Spain (27th place, with an HDI score of 0.905), but ahead of Italy (30th place, with an HDI score of 0.895).

Methodology

Economic attractiveness can be defined as the ability to attract new business and mobile factors of production (capital, skilled labor, etc.) to a specific destination. This ability is related to a wide range of macroeconomic criteria.

This booklet takes its place in a set of themes that address different determinants of attractiveness in the form of a comparison of the main European economies competing with France: Belgium, Finland, Germany, Italy, the Netherlands, Poland, Spain, Sweden, Switzerland and the United Kingdom, as well as Japan and the United States.

