

## France

As early as July, President François Hollande proclaimed: "The recovery is here!"

The International Monetary Fund predicts 1 per cent growth next year but many are unconvinced that is enough. "In France, you need about 2 per cent growth to bring down unemployment [and] to talk of a real recovery," says Nicolas Lecaussin, of the Institute for Economic and Fiscal Research.

Yves Weisselberger is an entrepreneur who has launched several businesses, including co-founding SnapCar, an app-driven cab service. "The economic situation still doesn't look very good, although there are some distant signs it might get better," he says. "People are very reluctant to invest."

Mr Hollande has promised to "invert the curve" of unemployment by the end of this year. The national statistics institute suggests he will just about keep his promise, with the jobless rate set to peak at 11 per cent in the fourth quarter. But that will be driven largely by a series of government schemes. This year it will subsidise 100,000 "jobs for the future", providing work for 16 to 25-year-olds with few qualifications.

Still, companies such as telecoms equipment maker Alcatel-Lucent, the airline Air France, PSA Peugeot Citroën, the carmaker, and Natixis the bank are all laying off workers.

Mr Lecaussin does not spare the government. "They have not really touched the public sector in the way other countries have. And not only have they not reformed, they have made the tax situation worse. It is a tax casino, with 84 changes of taxes in the last three years... There is no belief yet in a real recovery."

Impetus may come from technology start-ups, such as Mr Weisselberger's SnapCar. But he and rival private cab services were exasperated this month when the government bowed to traditional taxi companies and ruled that there must be a 15-minute delay between the time a person books a private cab online and when they are picked up.

"We are in a business where there is lots of unsatisfied demand. We are not dependent on the wider economic situation. But we might be dependent on government decisions that slow us down," he says.

11%  
unemployed  
in France by  
the end of  
2013

Hugh Carnegie