The régulation of the corporate welfare policy. Evidences from France

Klebaner, Samuel

CEPN UMR 7234 CNRS

9 September 2024

Title: The Régulation of the Corporate Welfare Policy. Evidences from France

Abstract: The aim of this article is to demonstrate that the "Corporate Welfare" policies are embedded in a complex, dynamic and unstable mode of regulation. Based on qualitative and quantitative evidences from France since the 2008 financial crisis, we identify the five canonical institutional forms derived from the Régulation Theory that are coherent with industrial policies in favour of corporation without any counterparts. We consider that the deindustrialisation, the wage moderation, the fragmentation of national value chains is at the beginning of a race to the bottom of the public policy to compensate the profit loss. Behind the transfer of funds, we show that there is also a transfer of power to corporations, especially on the social welfare system. Finally, we will consider that this system is compatible as long as public debt creditors accepts to finance the difference between the quick transfers to corporations and the slow reduction of public expenditures, and second, that household have political and financial capacity to support this system.

Keywords: Corporate Welfare; Industrial Policy; Régulation Theory;

Introduction

Since the 2008 global financial crisis and moreover after the Covid pandemic, the industrial policy came back both in the political and the academic spheres (Aiginger & Rodrik, 2020; Andreoni & Chang, 2019; Buigues & Cohen, 2020; Bulfone, 2022; Cherif & Hasanov, 2019; Juhász et al., 2024; Kastelli et al., 2023; Klebaner & Voy-Gillis, 2023; Mazzucato et al., 2015; Voy-Gillis & Lluansi, 2020; Warwick, 2013). Particularly, industrial policy is seen as a way to achieve the 21st century social Grand Challenges (Kuhlmann & Rip, 2018; Liotard & Revest, 2024; Mazzucato, 2018), meaning that the State can alter the industrial development to address social problems like health, environment, or safety. It means that the State must be able to get conditions to the public funds allowances (Mazzucato, 2015). Conditionality as a way to share the rewards (both quantitative and qualitative) appears as the key element to orientate the technological and economic trajectories (Mazzucato & Rodrik, 2023).

However, there is many evidences that the industrial policy is still offering to capitalists public funds with weak or even no conditionality (Bennett, 2015; Bulfone et al., 2023; Delatte, 2023). The political economy literature identifies this phenomenon through different concepts. According to political economists, the capture of the public policy means an extraction of the policy from the political debate (Klebaner, 2018; Li, 2023; Lordon, 2010; Nitzan & Bichler, 2009). The policy sounds like an evidence, like no other choice could have been done. The political capitalism means a certain mode of capital accumulation, through the support from capitalists to the politicians (Riley & Brenner, 2022). Finally, the growing literature on corporate welfare prefers a more descriptive definition to characterise a specific policy feature, considering a corporate welfare policy as a "transfer of public funds and benefits to private corporation with weak or no conditionality" (Bulfone et al., 2023, p. 253).

The last stream of literature wants to identify the different causes of the emergence of such a policy. The corporate welfare policy can come from specific political coalitions (Maggor, 2021), structural power (Culpepper, 2015) or institutions. Compared to the evolutionist literature which focus more on the political capabilities of the State to design and implement strong conditionality (Kattel & Mazzucato, 2018), political economists identifies the causes of the policy in the social, economic and political institutions. Indeed, understanding the power seems important to analyse the complex relations between the State and the corporations (Ansaloni et al., 2020; Hathaway, 2020).

In this article, we want to go deeper in analysing the institutional roots of the corporate welfare policies. To do so, we apply the French Régulation school theoretical framework (Boyer et al., 2024) to analyse the trajectory of the French industry since the 2008 global financial crisis. The vertical disintegration, the massive off-sourcing, the specialisation in services sectors as a response to the globalisation imply a negative profit loop, as the corporations manage to contain labour cost thanks to generous fiscal policy (Delatte, 2023; Garsaa & Levratto, 2015). Instead of building structural policy to recreate a positive, autonomous industrial growth, the corporations asked the state to sustain a minimum level of profit, threatening it to off sourcing due to competitive pressure. Our point is that the declining industrial sector is the reason of the corporate welfare policy, as the liberal, centrist major social block follows the liberal consensus (Amable et al., 2015), which consider the labour cost as the root of the structural deindustrialisation (Buigues & Cohen, 2020).

However, we consider that the corporate welfare policies are detrimental to the long-term industry. On the one hand, it fosters the power concentration to large corporations, which organized in France the deindustrialisation to increase their profits through outsourcing. On the other hand, the labour-cost policies reduce the profit opportunities, as consumers cannot buy the French industrial goods, which enter in competition with the premium German brands, while France is importing cheap manufacturing goods for the final consumption. Therefore, the corporate welfare system, enlarging the corporate welfare analysis to any kind of power transfer to the corporation, is a pitfall with only two limits. The generous corporate welfare policies must be financed by the debt, as long as previous social coalitions keep strong public services and generous social security, and as the households cannot fully compensate the diminishing corporate contribution to the state income. Therefore, first, creditors must find interest in financing such policy and second, households must accept to finance such a system.

The aim of this article is to elucidate the structural, institutional roots of the corporate welfare policies. We will demonstrate that the corporate welfare policy is more a systemic policy which foster the transfer of public funds and power to corporations, as a consequence of the alarming decline of the French competitive position. However, this unstable macro-economic trajectory lays on a difficult compromise on the public debt and the composition of the State revenues.

This paper is structured as follows. In a first section, we detail our theoretical and methodological framework. In a second section, we analyse the trajectory of the corporate welfare policy in France since the 90s. In a third section, we discuss the theoretical consequence of this case study and its policy implications. The last section concludes.

Theoretical framework

In this section, we define first the growing literature on the Corporate Welfare Policy. Second, we discuss the Régulation Theory as the analytical framework of our demonstration. Third, we detail our methodology.

The Corporate Welfare Policy

The Corporate welfare literature emerged recently in the field of comparative political economy (Bennett, 2015). The definition of the corporate welfare policy is the “transfer of public funds and benefits to private corporation with weak or no conditionality” (Bulfone et al., 2023, p. 253). By this definition, even restrictive, it is possible to characterise the design of the policy measure, and not the policy measure in itself. By conditionality, we understand the commitment of corporations in exchange of the transfer (Mazzucato & Rodrik, 2023), which could be either quantitative (e.g. performance standards) or qualitative (e.g. new business model). Strong conditionality is for example performance standards, like achieving a certain amount of pollution abatement, job creation, R&D expenditures, and to the extreme, the definition of the corporate strategy itself (like local supply obligation, commitment to produce a minimum volume of production during a fixed period of time…). Conversely, weak conditionality refers to minimalistic conditions, which are not challenging the corporations' strategies. For example, an R&D tax credit for firms demonstrating increasing R&D expenditures is a stronger conditionality than a flat R&D tax credit calculated on the R&D expenditures (having R&D expenditures is the condition).

Weak conditionality is then more passive, transparent for the companies. No conditionality refers to "free-lunch", when for example corporate taxes are decreasing, or when State and a corporation find arrangement for specific tax rates, which are, obviously, lower than what the corporation must have paid if the State had the capacity to force the firm to do it without the threat of capital flee.

One important methodological aspect of the definition is that the corporate welfare policies are always defined in comparison with the previous state of the policy. Reducing corporate tax rate is a corporate welfare policy, even if the level of tax is very high. Giving a subsidy without conditionality is a corporate welfare policy, as there was no subsidy before (and then no rent). Then, any policy aiming at reducing production cost are corporate welfare policy as long as there is no or weak conditionality.

Conditionality is then a reflection of the power relation between the State and the capital. Scholars in this field of research want to find the coalitional, structural and institutional factors defining the degree of conditionality (Bulfone, 2020; Bulfone et al., 2023; Maggor, 2021).

For instance, Vahabi (2015) understand the roots of the political power of economic agents (exit, voice, and even "scream") depending on the capacity of the state to seize their assets. For example, a captive and idiosyncratic asset can be more subject to capture from the state, while intangible assets are more escapable and then can be better hidden from the state. Therefore, firms are protecting themselves from the "leviathan". For example, competition laws preserve firms from unfair political intervention. Agents like firms are managing to disarm the state. Thanks to this disarmament, the firms (or other agents) can exert their power to exert pressure of the state, as the state needs them to realise its own objectives (either social, technological, economic…).

One important way to disarm the state is the state capture. Contrary to what the mainstream capture theory is assuming (Laffont & Tirole, 1993; Posner, 1974; Stigler, 1971), there is no such thing as "general interest" that the state follows. In the classical welfare analysis, the state – the regulator – wants to maximise the social welfare, and firms lobby to adopt better regulation for corporate welfare. In critical institutionalist theory, the definition of what is welfare is not natural, rather constructed. In the conventionalist theory, Chiapello and Knoll (2020) defined eight possible definition of welfare. Three definitions of welfare conventions can encompass the corporate welfare: the market welfare convention, the entrepreneurial welfare convention and the financial convention. The market welfare convention supposes that the market can allocate efficiently the resources, and then, creating markets and good incentives may lead to an efficient distribution. The entrepreneurial welfare convention considers (social) entrepreneurs may solve social problems. The financial welfare convention supposes that social solutions must be "investible". All of these three conventions have in common that the solutions for the social welfare come from the private initiatives, with expected returns[1].

It is then possible to consider the corporate welfare policy compatible with the state interests. Indeed, critical theories on capture (Klebaner, 2018; Li, 2023; Lordon, 2010; Nitzan & Bichler, 2009) consider it as the establishment of one – and only one – understanding of the world in the policy sphere. Using Castoriadis words, capture means the closeness of institutionalised imaginaries (Castoriadis, 1987), or in Bourdiesian words, the forgetting of the genesis. Indeed, social actors through their fictional power

[1] conversely, the philanthropic convention is based on voluntary private initiatives without any expected explicit returns.

have the ability to define the "general interest", and to frame, to legitimate the actions of policymakers. Moreover, of course, policymakers are also problem makers, and thanks to their narrative power, they can fully adopt and develop any definition of the "general interest".

The other face of corporate welfare is what we can call the political capitalism (Ansaloni et al., 2020; Riley & Brenner, 2022; Vahabi, 2023). The political capitalism means that the accumulation of capital is a consequence of an investment from corporations in the political arenas. The political arenas offer rents for capitalists, which exploit them in maintaining a social coalition, or a block favouring their interests.

The corporate welfare policy can then be interpreted as part of a system, as industrial policy are systemic (Aiginger, 2007). By the way, Bulfone et al. (2023) already integrated the BCE monetary policy in their analysis of corporate welfare policy. We would like to integrate labour policy and social security. In market convention, market is a fiction to erase the power of firms, but in the end, it is not the market which solves problem, but corporations, through marketization of the problems and solutions. Therefore, welfare marketization means giving more power to firms to resolve social problems in positioning the firms' interests as the prior condition. To solve social problems, the governments must solve first the corporations' problems.

Compared to the corporate welfare restrictive definition, it is possible to improve the corporate welfare without directly transferring public funds. The channel could be giving to corporations a better bargaining power on the labour market. For example, reducing labour cost through reducing horizontally social contributions is clearly a corporate welfare policy. As the marketisation of the labour relations in projecting the problem of unemployment to the unemployed shoulders, weakening their bargaining power with employers while withdrawing any responsibility for the later in the unemployment problem. Other policy like reinforcing business data confidentiality can be seen also as part of the corporate political system, as it gives pre-eminence to economic private property over other social domains – one way for capitalists to tame the leviathan in re-using the Vahabi's words (Vahabi, 2015). Therefore, corporate welfare system definition can encompass any transfer of public funds or power to corporations.

This is why corporate welfare may be integrated into broader welfare convention. Indeed, in this article, we will show that the current transformation of the "full employment" welfare convention at the origin of the social security (Vahabi et al., 2020) toward a market welfare convention can be a vector of the corporate welfare policies.

Our definition allows us to exclude public procurement policies, which had to follow a State objective. Even if public procurement can lead to public funds transfer, there is at least a compensation, which is the goods or the infrastructure. We can also exclude policy that favours businesses as second order rents, like for example a standard settings policy that favours the producers of such standards. For example, compelling property owners to integrate fire alarm in their house favours the producers of the alarms, but it is not a public funds transfer. Moreover, if the state transfers money to households to compensate the extra-cost of this fire alarm, it is not a corporate welfare policy because it has the same meaning as an equivalent public procurement.

The theoretical objective of this paper is then twofold. On the one hand, we want to demonstrate that the corporate welfare policy is a systemic policy. On the other hand, we want to contribute in the question raised by scholars in this field, which is the roots and the consequences of the corporate welfare. To do so, the Régulation Theory is relevant to address the two objectives.

The Régulation theory

The Régulation Theory is a French institutionalist theory in the field of macroeconomic political economy (Boyer et al., 2024). Its foundation was the analysis of capitalism crises, especially the end of the Fordism in the 1970s. Based on Keynesian and Marxian assumptions, the régulationists consider that the accumulation regime of the capitalism lays on specific institutional arrangements.

The Régulation Theory explains the emergence of institutions from the struggles inherent to the capitalist systems. The institutions crystallized specific compromises of such struggles, and there is no evidence that these compromises are first stable, and second the best ones. The capital accumulation lies on a perpetual thin ice, and so, undergoes frequent crises of different magnitudes.

The mode of regulation defines a coherent compromise, i.e. the ones that permits the accumulation without crises at medium-long terms. This theory resolve the agency-structure problem in analysing both the conflicts and compromises among actors about one institution, and the coherence or contradictions among the institutions (Amable & Palombarini, 2023b). In addition to the complementarity, hierarchies among institutions are determinant to understand the institutional change.

The Régulation Theory identify five canonical institutional forms; each one of them revealed a particular compromise in the social arenas.

First, the monetary regime is defined as the rules of transactions and credits in an economy. It encompasses the definition of money and how authorities regulate it.

Second, the competition forms define the way of setting price. As markets are political arenas (Fligstein, 2001), sectoral structures (monopolies, oligopolies…) derived from the confrontation between and among firms, consumers, and the regulators.

Third, the wage labour nexus is the way the basic capitalist contradiction is (partially) resolved. From the confrontation between workers and capitalists, institutional arrangements emerge like wage, working conditions, institutional negotiations etc.

Fourth, the form of the state is the way the state is acting in the economy. There are some ideal-type of state like the interventionist, the regulator state and so on. This is this institutional form in which we can analyse the anatomy of a state producing corporate welfare policy[2]

Fifth, the insertion in the international regime is the last in the canonical institutional forms, but it may be the most important one. Indeed, the national economy undergoes international pressures, either from the trade, the financial sphere, the geopolitical relations and so on. The way the economy is integrated, and then how the economy manages such international pressures determines crucially the accumulation regimes, because the contradictions coming from abroad are the most exogenous to the national economy. Despite the importance of the insertion in the international regime form, we cannot reduce all other forms to this one.

The existence of a particular arrangement of the institutional forms, is based on specific social coalition arrangements, both at the macro and micro level (Amable & Palombarini, 2023c). Social blocks are not only social or political coalitions revealing the compromise among competition social needs, but also a shared conception about the meaning of the politics (Amable & Palombarini, 2023a). According to Amable (2017), the France trajectory after the 80s is characterize by a new stabilisation of the social

[2] We do not think that the corporate welfare can be a form of the state, as it would imply that every state intervention in the economy is corporate welfare policy.

and political alliances around centrist, liberal and bourgeois bloc, defining a specific trajectory of neo-liberalism in France. According to Amable, this social block finds interest in liberalising finance (monetary order) in order to follow the growing neoliberalism international order (insertion in the international regime), while marketising the social security (wage-labour nexus) would have been against their interests, as there were many political supports and social attempts to maintain a strong welfare state. Indeed, the institutions keeps inertia of older compromises (e.g. the fordist compromise around the full-employment welfare convention), as no "choc therapy" was attempted to erase all the previous institutions. Such a change in the monetary order then transform progressively other forms due to incoherence among them. The vertical disintegration (competition form) is a consequence of the financialisation and the international competition, and more recently, the marketization of the social security. Behind the national social blocks, the organisation of the industrial relations at the firm levels are also detrimental to the capitalism trajectory.

Therefore, we will demonstrate that a corporate welfare system may be a progressive construction. We need to historically re-construct the creation of this specific policy design, to highlight the hidden institutions and rationales behind it, and to analyse the condition of viability.

Methodology

To support our demonstration, we use a mixed methodology. We gather statistical evidences from various sources. We highlight some qualitative elements with press statements, public or private reports. We based our argumentation on pluridisciplinar literature on the recent French socio-economic policies trajectories.

As corporate welfare policies can be traced in the policy field which is closest to the corporations, the industrial policy (Bulfone et al., 2023), we mainly focus on industrial policy, even if we have to enlarge the scope, in integrating other policy, like labour policy. By industrial policy, we refer to the policy addressed to the manufacturing sector, as it is its common meaning in France.

We re-construct the trajectory of the French capitalism in the lenses of the corporate welfare policy construction. Our point is to find the genesis of the corporate welfare policy, in analysing the economic and social structures in which it appears. We use a genetico-structuralist approach (Klebaner, 2022; Klebaner & Montalban, 2020) to reconstruct the meaning of the policies according to both the institutions and the social forces.

Emergence and viability of the French corporate welfare policies

In this section, we will consider that the corporate welfare policies emerged in France because of the secular stagnation. Since the end of the Fordism, France entered into a low-growth regime, with growth rate decreasing crisis after crisis. Moreover, the most important structural transformation of the French capitalism is the high decline of manufacturing sector after the 70s crises.

We can analyse the deindustrialisation as the outcome of a specific institutional arrangement after the fordist area (Amable, 2017). The monetary regime deeply changed since the end of the Bretton Woods agreements and with the European integration. Variable exchange rate reduces State capacity to boost exportation. Moreover, the growing financialisation increased the profitability demands of financers, that traditional manufacturing sectors cannot follow (Auvray et al., 2016). On the competition forms, vertical disintegration and dismantlement of the domestic national champions scattered the industrial base and favour outsourcing of low value added activities. The loss of power of trade unions after the 70s crises changed the wage-labour nexus institutions, in giving to corporations an increasing power of negotiations. The French State progressively lost its "dirigist" capacity, especially after the failure of the Mitterrand's nationalisation policy. Finally, France entered fully in the international regime, in accepting free trade and free capital movement in a context of European integration and globalisation. As we can see, institutional forms are connected together, as, e.g. vertical integration is a response to financialisation, which is permit by free capital flows and less trade unions powers and so on.

In this section, we will detail how the corporate welfare policy as a systemic policy is built on the five institutional forms. In a first sub-section, we consider that the origin of the corporate welfare policies is rooted in the low growth rate, which changed to nature of the relationship between the corporations and the state. Due to the threat of capital flight, corporations can ask compensations for higher labour price, but as the French manufacturing industry follow a low productivity road, public funds are seen as potential rents to exploit. For Amable, Guillaud and Palombarini (2015), the existence of such systemic policy in this post-80s period is due to a constitution of a centrist, liberal dominant social block which find in financial liberalisation a way to "modernise" the French socio-economic institutions. In a second sub-section, we will discuss the condition of viability of this specific corporate welfare system in analysing the condition of régulation.

Restructuring and employment policy

In this section, we will analyse how the competition form and the wage-labour nexus coevolved in France in favour of the corporate welfare policy.

Deindustrialisation is a cumulative process: as several segments of the value chain disappears, connected segments lose their consumers/suppliers, and proximate factories lose their agglomeration economies. Except for few vivid industrial clusters, the manufacturing sector disappear from the French landscape. In 2020, the manufacturing sector weighted around 11% of the GDP in France, even if this weight is underestimated as compared to other European countries, it exclude the production of services from manufacturing corporations (INSEE, 2024). Even if every western European country see their domestic manufacturing shares declining, France had a very specific trajectory.

One response to deindustrialisation was the specialisation in services. The industry without factory imaginary signification was quite vivid in France during the 90s and before the 2008 global financial crisis. However, this crisis reveals the importance of maintaining a strong industrial base, and the government urges the industry to re-build a new manufacturing base. The *Etats généraux de l'industrie* were the starting point of a new political alliance toward the saving and re-building of the industry, especially in a context of harsh international competition (Dehecq, 2010; Klebaner & Assogba, 2018). This alliance was quite stable under the Hollande presidency, especially under the *Ministère du redressement productif* (Minister of productive recovery).

The importance of the industry in the political agenda and debate, especially during election period (the high furnace closure in Florange in 2012, the Whirpool restructuring in Amiens in 2017) is one element to analyse how deindustrialisation is converting in the political capitalism. As a plant closure is a social and a political risk, and as having a strong growth (and then good jobs and household income) is a good condition to get/keep the political power, we can analyse the French corporate welfare policy as an attempt to protect the corporations whatever the means, especially in areas with few services sectors.

However, we consider that the specialisation in service has a deeper effect on deindustrialisation, and then on the transformation of the corporate welfare policy into a system. This effect is mediated through the wage moderation as a new wage-lebour nexus form of regulation. Two features of the specialisation in services participate in the wage moderation. On the one hand, firms cannot easily relocate low value added service jobs outside France, and second, unionisation rate is rather low as many service companies are small businesses. Therefore, the vertical disintegration of low value added services (cleaning, security…) reinforces pressure on wage, fed by a rather high unemployment rate in low skilled workers.

As a result, the French wage grew slowly, generally at lower rate than its neighbour (figure 1), and the productivity gains too (Boyer, 1995). As Artus (2020) demonstrated it, the slow wage growth – what he called the wage austerity – is linked with the monetary order: low inflation rate reduce the expectations from workers and unions (Jany-Catrice, 2019), and low interests rate allows consumers to acquire cars and houses. As the real wages are stagnating, the demand for high value added manufactured goods declines, and therefore, we observe a decreasing demand for goods manufactured in France, especially if Germany can produce higher quality products and then attract the small fractions of the population that benefitted from the growth.

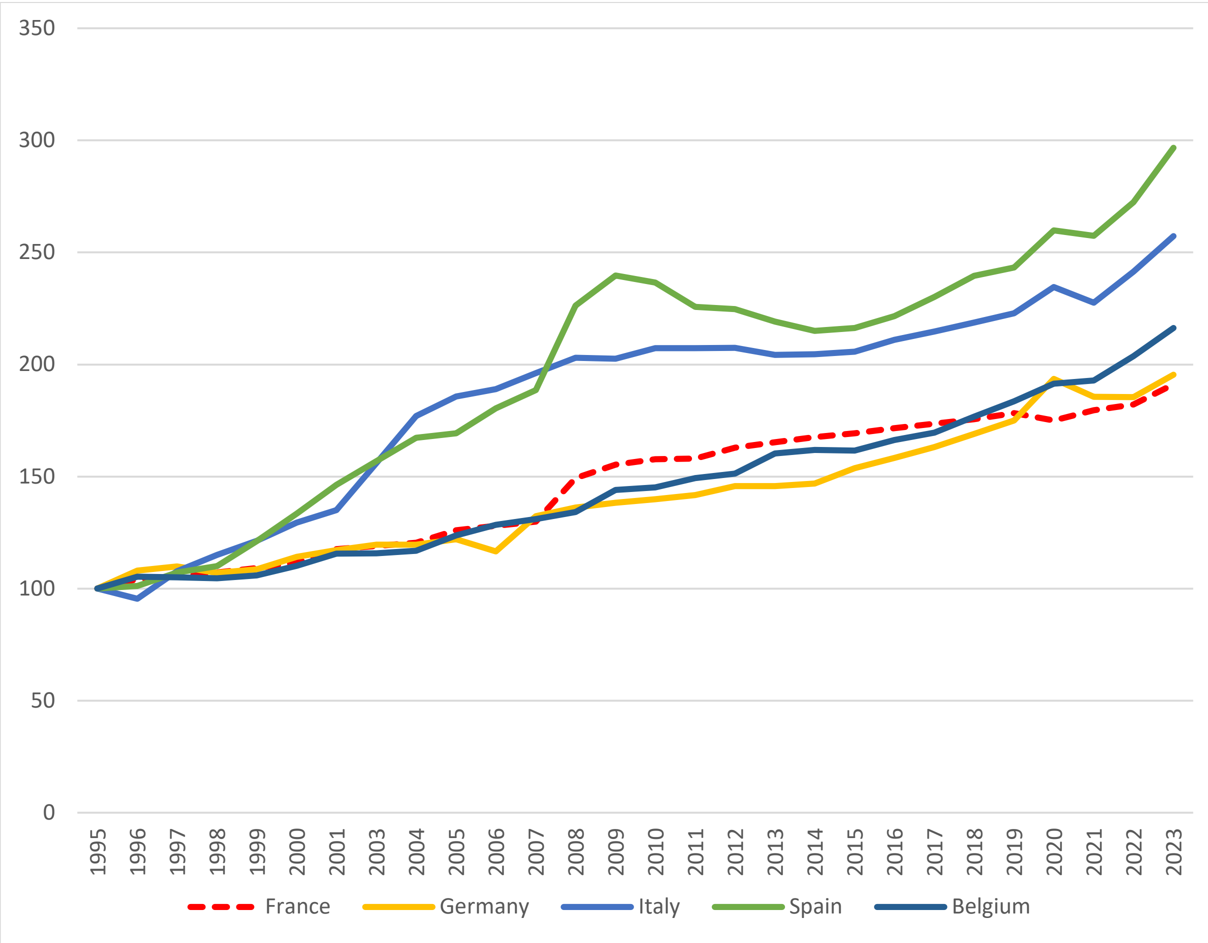

Figure 1 Median income, base 100 in 2005 in France and in its main neighbours. Source: Eurostat

To restore competitiveness, former national champions restructured their value chains, in inserting in the global value chains. Nowadays, almost every sectors in France is still dominated by former national champions: Airbus (aeronautics), Thales (weapons), Renault and Stellantis (ex-PSA) (automotive), Alstom (railway), ArcelorMittal (steel), Orange (Communication)… Each manufacturing value chains are structured around few buyers and many suppliers, generally in competition with foreign firms. Even if in the automotive or aeronautics industry, some first tier equipment suppliers manage to become international leaders (Safran, Valeo…), many second tier suppliers like foundries could not survive on global price competition market.

Compared to the German *Milltelstand*, protected from the global competition thanks to strong local ties (Bleuel, 2018), the French manufacturing SMEs undergoes permanent restructuring to follow the competitiveness requirements of global buyers. One recent and symbolic movement is the restructuring of the foundry sectors in 2020. Right after the end of the lockdown, Roland Berger published a report from the PFA – the automotive business association – asking for a deep restructuring of automotive foundries, around one or two groups only. The electrification of vehicles reduces indeed the need of metal parts. Once the publication, many founders abandoned their activities, even if some of them would not be affected by the electrification (like wheel).

This aspect of restructuring is important to understand the emergence of the corporate welfare policy. We can see many aspects of the corporate welfare policy as a system. First, large industrial corporations are concentrating relational, structural and symbolic power. On the relational power, the French economic and political elites are maintaining many social relations (Pinçon & Pinçon-Charlot, 2011). On a more strategic level, the state is still shareholders of many large corporations (Renault, Thales…), but it "normalized" its role (Coutant & Viallet-Thévenin, 2021), meaning that now, the state as a shareholder follows the corporate strategy. Moreover, even if some industry like the aeronautics or automotive industry are in oligopolistic structure, they organise around strong business associations. Far from losing structural power, large corporations concentrate more structural power due to their market power as competitors or suppliers are closing their activities. On a symbolic level, these large corporations are still seen as national (sometimes European) champions, acting as flag bearer of the French industry on global markets. Even if their manufacturing footprint in France decrease, France is still considered for many companies as the strategic centre of operation to compete on international markets, like in the automotive sector (Frigant & Jullien, 2018). Even "normalised", former national champions still have a relational, structural and symbolic power, and get the support from the State to help them for their in and outboard economic development.

Second, after the 2008 crisis, the State organised new *filières* policies in order to implement specific vertical policies to strengthen, the national supply chains (Klebaner & Assogba, 2018). The Dehecq's report (Dehecq, 2010) on the state of the manufacturing sector identify the vertical and territorial disintegration as the root of the decline of the sector. However, in 2018, the Government changed the composition of the committees in charge of proposing and implementing the measures in order to give the lead to large sectoral business associations. Even if on papers, such committees are tripartite, involving the trade-unions and the state, case-studies reveal their capture by large corporations (Klebaner, 2021, 2023). Moreover, another evidence of the "competition channel" of the corporate welfare state, are the post-crises sectoral restructuring funds. The state created funds for automotive (after 2008 and 2020) and aeronautics (after 2020 only) to restructure the supply chain. The funds were managed directly by major buyers, to help them restructuring their supply chains, without any national strategic interests.

Third, even if the State does not intervene in commercial relations between buyers and suppliers – except in case of law infringements, it "de-risks" the negative financial and social consequences of restructuring.

On the one hand, it plays the role of broker in organising meeting between financers, potential investors and managers, in the *Comité Interministériel des Restructurations Industrielles*, to help large companies in financial troubles to find solutions (Garcin, 2023). It is also very common that the Minister of economy intervenes in investment take-over, outreaching their legal function to verify the potential risk for national security. Indeed, the Minister can organise meetings with potential investors to accelerate or cease the take-over. A recent and problematic example was the selling of a strategic nuclear activity of Alstom to General Electrics in 2014, in which the two consecutive Ministers Arnaud Montebourg and Emmanuel Macron played an active role, the first to impeach it, the second to push it (Marleix, 2018; Stothard, 2014).

On the other hand, new managerial and legal rules changed the law on layoff. There are many legal ways to reduce employment without using layoff, in increasing the voluntary compensations for redundant workers. For example, the company had to co-finance training to reskill, or to give some cash to redundant for starting their own business. The integration of a maximal compensation to workers in case of abusive layoff is the most striking evidence of the commodification of labour over the rule of trust embedded in legal contracts (Supiot, 2021).

To reduce the social risk of restructuring, France actively changed its law on professional training and education, in the interest of corporations, in favour of increasing the employability of workers. As Gazier explained it, "employability only makes sense in the eyes of employers engaged in workforce strategies" (Gazier, 1990, p. 576 Our translation). For example, the Universities had to organise progressively their programme around skills. The philosophy is to consider students as a package of various skills, that they can use in various professional context, to increase their employability (Vidal & Labbé, 2019).

Before 2003, workers cumulated day-off rights to follow long-term training programmes (Gelot, 2019). The State changed this law, in progressively transforming the mandatory training time in monetary compensation, while decreasing the minimal contribution of corporations to the training. Finally, in 2019, every worker gets a training account in Euros, which can be spent for every certified training programmes. In doing so, the training is now (1) on the workers' free time and not on working hours; (2) gave more power to private training corporations, reducing the need to finance public training organisations; (3) favouring training in order to increase workers' employability instead of creating more value added, in financing driving license training for example. In parallel, the Government, after the Covid outbreak, reinforce the fiscal incentives for recruiting apprentices, in giving to employers 6000€ for each contracts, while benefitting from the general social contributions exemptions on very-low wages (under 79% of the minimal wage).

We can add also some restrictions in the unemployment allowances, even if the Government suspend the reform in 2024 due to the legislative anticipated elections, in line with the longstanding policy to quantitatively reducing the unemployment (Pillon, 2018). There is two important consequences for the corporate welfare policy as a systemic policy. On the one hand, the corporations organise what skills they want, and second, unemployment is the consequence of workers' incompetence. The traditional keynesian social welfare state is now reduced to reskill mechanisms to increase the workers "competitiveness" on the labour market, i.e. through a market welfare convention.

The regulation through the public finances and the viability of the system

Even if since the 2008 global financial crises, the industrial policy came back on the political agendas, and may have awaken the dirigist state (Levy, 2017), we have to consider how the public action is taken broadly, and especially in the fiscal policy. First, since the statatisation of the social security in the 1990s, social contribution became a discretionary adjustment variable to the labour cost (Da Silva, 2022; Vahabi et al., 2020).

Moreover, the most important fiscal measure addressed particularly to the industry was the research-credit tax (CIR), that costs more than 6 billion euros per year (France Stratégie, 2020). In 2008, the President Sarkozy changed the fiscal rule for the attribution of the CIR. Before, the firms had to justify increasing R&D expenditures and the tax credit was based on the variation. Since, it became based only on the level of R&D expenditures (weaker conditionality). Such a horizontal measure finds its economic justification in classic market failures, as innovation is an uncertain activity. Moreover, in a context of Lisbon strategy and competition among member states to attract high value added activities (Amable et al., 2009), the CIR was designed to reinforce the competitiveness of the French R&D

branches. However, the official report from France Strategie – the official Prime Minister evaluation commission – does not show any positive effect of the CIR on value-added (France Stratégie, 2021). Instead, we observe a windfall effect: the effect on economic activity is positive for SMEs but negligible for large corporations, but that the last ones that benefit the most from this tax rebate.

In 2016, after a strong mobilisation of the MEDEF, the most important French business association, the President Hollande announced the Tax Credit for Competitiveness and Employment (CICE), a tax credit on salaries under 2.5 the minimum wage. The president of the MEDEF announced that this measure could create 1 million jobs. Even if France Strategy fallaciously announced that it created 100 000 jobs, the studies do not converge in showing any positive impact neither on jobs or on investment (France Stratégie, 2020). Not a problem for the government, which transformed this tax credit in permanent reduction of social contributions on low wages in 2019.

We can add two critics relating to this horizontal industrial policy regarding the industrial development. On the one hand, industrial sectors did not benefit mostly from this tax credit, as salaries in manufacturing sectors are generally over the threshold. On the other hand, it contributes to the wage moderation, as it can create low wage traps. Even if no data allow us to conclude on such low wage traps, we cannot reject the hypothesis neither (France Stratégie, 2024). Our point is that such a tax rebate, instead of favouring manufacturing activity, is in fact reducing it. First because it benefits mainly for services, and second that it maintains low wages in services, and therefore a low demand level for high-price manufactured goods.

After the Covid crisis, the most important measure in favour of corporations, except the guaranteed loans which had negligible effects on the public finances, is the reduction of 13 billion € of production taxes. Production taxes regroups various corporate taxes, generally on the assets. There were an important lobbying campaign through the publication of various reports to make the production tax the most important structural problem for the French manufacturing industry (Houser, 2020). The publication of the report of the Conseil d'Analyse Economique, an institution close to France Stratégie, is the peak of this attack (Martin & Trannoy, 2019). The argument is generally the comparison of the high production taxes in France, 3.7% of the corporate value added in 2018 against 0.7% in Germany. However, on the one hand, the comparison with other countries is misleading, as there is no harmonised definition of production tax at the European level, which impede direct comparison. On the other hand, there is an important contribution for local administrations, which in return provide important public infrastructures that are beneficial for corporations, which is one important competitive advantage of France (Chtioui & Levratto, 2021). As in 2017, the President Macron announced the suppression of habitation taxes payed by households; this is the second pillar of the local budget that is suppressed, compensated by direct transfers from state to local administrations.

In addition to this negative effects on public infrastructures, the reduction in production taxes create windfall effects for other sectors, as it is a horizontal reduction, without any counterparts. Therefore, it favours mainly services sectors as they represent the most important number of companies, which do not face any competitive problem.

The fiscal competition and the race to national subsidies is exacerbated by the overcapacity in Europe and the competition among European member states. Since the Covid crisis, European countries increases their direct public subsidies in a context of the European Commission's "strategic autonomy" (Klebaner & Voy-Gillis, 2023). To build new value chains, like the battery for electric vehicles or semiconductors, the European Commission authorises state aids in the framework of Important Project of Common European Interests, as long as the state aids create no market distortion. However, even if these measures are sector-based, so more "conditional" than horizontal measure, it appears that the lack of coordination of such projects leads to a race to public subsidies, giving to corporations more power to refuse any strict conditionality, on the basis that they can find less stringent conditions elsewhere.

In parallel with these euphoric fiscal measures for corporation, we observe an attempt to reduce public spending in non-productive sectors (Lepont, 2024). One of the most important measure directly linked with the wage moderation is the freezing of the “index point” of the civil servant. The salary of public servants is based on a number of “index points”, which had to follow the inflation. However, since 2010, the index point was revaluated only 2 times, in 2016 (+0.5%) and in 2022 (+3.5%), during presidential election periods. Notwithstanding, some mechanisms permit to still increase the civil servant wages, through requalification, bonuses and rewards, which finally compensate the freezing of the index point. The point of our argumentation is that there is an attempt from the government to reduce public finances while improving business profitability, as the low salaries in the public services create less incentive for the private sectors to rise wages to attract workers (Michael & Christofides, 2020).

As Lepont (2024) demonstrated it, there is no ideational contradiction for the state between the increasing public spending for the corporations and the austerity for public services. In her enquiry, she reveals that public spending for (corporate) “investment” is justified especially due to its (supposed) positive effects on businesses (and then on society), in de-risking early investment for example, while public spending for operating (public services) are considered as bad public spending that needs to be cleaned.

Therefore, we observe in many public services an attempt to constraint the public budgets. However, like the index point freeze, such attempt does not really reduce the public spending, as public services and generous social security are still defended by stable social compromise (Amable, 2017). As there is no “choc therapy”, the government can only attempt some marginal adjustment to constraint the budget. In many public services, the real problem is the difference between the fast growing needs and the slow increasing budget. Therefore, marketisation of public services is seen as a solution to this gap, with public-private partnerships or public service delegations for example.

Moreover, Delatte (2023) demonstrated the transfer of contributions to the public revenues, from corporations to households. As the corporations pays effectively less and less taxes, the government increase the household contributions, especially through indirect taxes. However, the transfers to households finally increase, to compensate the increasing fiscal contribution. For example, the government created many “cheques”, a punctual allowance for low-income households to compensate compulsory expenditures (energy, health insurance…), or in creating incentives for corporations to increase bonuses to their employees, especially after the yellow vest movement in 2018.

The health insurance permanent adjustment is a visible, concrete example of the mechanism of transfer of value from public to private (Da Silva, 2022). First, the government reduce the social contributions as part of its fiscal policy to improve competitiveness. Second, it reduces the reimbursement of health expenditures from the public social security, creating a field for private health insurances. Third, the State created a “cheque” to help some households to finance private health insurances. In the equation, the state managed to reduce its expenditure; to transfer value to the private sector; to subsidise it through cheque; to compensate the extra cost for modest households to stabilise the social coalition.

To sum up, the composition of the public budget is evolving. On the revenue sides, corporations pay relatively less taxes. On the spending side, the transfer to households and corporations are increasing, while public services expenditures are contained.

Therefore, even if the government wants to reduce public spending, we observe the reserve effect. The public debt constantly grew since the 80s. Even if the public debt is a socially and politically constructed problem, it is a problem for public policy as long as government are tied to the financial markets.

We can mention that the transfer of public expenditures coverage from taxes to financial market is not neutral in terms of regulation. In buying treasury bonds, the creditors benefitted from the spublic spending. Therefore, financing public expenditures through public debt is in favour of corporate welfare system as it creates rents for the financers. We exclude the potential eviction effect, as we are far from the full employment of financial resources.

Until 2020, the low interest rates allowed by an expansive monetary policy in Europe contributed to the growth of the corporate welfare policy. Indeed, public debt was not such a financial problem, as the French Government could easily borrow at low cost.

However, since the rising inflation and the subsequent rising interest rates, the public deficit grew more than expected in 2024. Even if political economists know that such public debt ratios have so sense in terms of sustainability of the public debt (Berr et al., 2021), for the European Commission, it is enough to engage procedures of excessive public deficit (Tamma & Hall, 2024). The risk of a too high public debt is therefore a sufficient argument for the government to announce many reductions in public budget for 2025 (Klasa, 2024).

However, due to the inertia of previous institutionalised compromises, as long as the government can not erase or privatise every public services, the financial markets have to accept to finance the difference between the rising corporate welfare transfers and the slower public services austerity. The other condition is the support of a social block in favour of strong public services and social security, at it is still the case in France (Amable, 2017). However, this social block has to accept a degradation in public services and the growing transfer of their tax to the corporate welfare.

To conclude, we identified that the public debt growth is the regulation variable to sustain the system in which corporate welfare policies emerged in France. Following the hegemonic view of the liberalism, the French policy follows a double path of corporate welfare policy and non-economic public sector austerity (Lepont, 2024). As the reason of the policy is the so-called competitiveness problem, the labour cost containment policy is one of the most visible consequence of the systemic policy. However, as the wage moderation mostly affect services, it also affects the demand for the French manufactured goods, and thus reduces the profit expectations, and then the competitiveness. As maintaining manufacturing sectors came back since 2008 as one major political issue, the business can capture the state policy in threatening the state of capital flight on the one hand. This means that the political sphere became a source of rents for corporations, meaning that this system can be characterised as a political capitalism. On the other hand, as the European Commission and debt creditors asks for public deficit containment policy, the government tries to reduce its spending, especially on the non-productive public services, or to increase household tax contribution. However, these two policies fail to reduce public spending, as the current social coalitions and institutions are still maintaining a high level of public services and a too direct rise of fiscal rate of household would be politically dramatic. Finally, this policy is viable policy as long as (1) the state financers accept the "too slow" public services austerity; (2) the households accept the use of their increasing relative income share to finance public services austerity.

Discussions

The point of our article is that the corporate welfare system is the liberal response to deindustrialisation. As labour cost is seen as the structural cause of the deindustrialisation (Buigues & Cohen, 2020), the dominant liberal block produce a cost-containment policy to avoid massive off-sourcing.

The first point of our enquiry is that the industry exerts a concrete power on the policy, even if the sector is declining. We could have assume that less industry would mean less structural power as their economic significances decline. However, we demonstrate that the decline of the industry is not a loss of the power for three reasons.

First, it is a concentration of the power around some national/international champions, which are still dominating their respective national value chains. Having fragmented national value chains give more power to leading monopolistic firms. As a counter factual, we can illustrate the case of the automotive industry, where some first tier suppliers can have an important industrial footprint, and can have different interests than the carmakers. A monopoly can exert a stronger power to the State, as the State cannot threat the firm with any potential subsidy for rivals. Second, the relational power comes to complete this structural power. Even if the industry is declining, or even if they are competing on oligopoly markets, the sectors ally in the powerful trans-business association, the MEDEF[3]. They can find the common interest of the capitalists: the cost reduction. The MEDEF, and its powerful member the metallurgy union (UIMM), often justify their need for cost-reduction policy in order to compete on international market. However, the fact is that such horizontal measure benefit also to sectors protected from international pressure (like national, local services). Third, the industry is exerting a symbolic power – the ideational channel of the capture. The decline of some sectors create opportunities for national industries and for transplants to bargain with the state in order to get less stringent counterpart, in exchange of investment in France, and the state has many pressure to support the industry. Indeed, newspapers and politicians frequently refer to some declining sectors as "national flowers" (*fleurons nationaux*), reviving the memory of a glorious industry.

The second point of our enquiry is that the corporate welfare policy is against the long-term interest of the corporations. Indeed, in France, we show that the main dimension of the corporate welfare policy is the wage moderation. However, this policy produces exactly the reverse effect, because France is lacking a dynamic middle-class able to buy the French manufactured goods. The second channel, the tax reduction, can have a direct effect on the corporate welfare through a decline of public infrastructures, or, due to the highly political problem of taxes on households, it could lead to a deeper social crisis, and then a crisis of the mode of regulation.

The third point of the French case is that it remains some reminiscence of the previous dirigist state (Levy, 2017). In some sectors, the French government managed to get some stronger conditionalities. For example, Stellantis and TotalEnergies invested in a joint venture ACC in 2020, the French domestic producer of electric batteries for electric vehicles, as a response to the government ambition to become a major country for the European electric vehicles value chain. Notwithstanding, some other examples show a lack of public planning capabilities. The state supported the creation of a consortium during the first lockdown in 2020 to produce artificial respirators in order to increase the hospital capacity to welcome the critical patients. However, it appears that the respirators were not suitable for hospital, but only for ambulances (Parrino, 2020). Despite such examples, we still consider that the French administrators have (or may have) the resources to implement a dirigist policy. For example,

[3] For an investigation of the successful power construction strategy of the Medef, see Offerlé (2013).

the Montebourg 34 plans of the new industrial France seems like an attempt to (1) show that government can boost the industrial planning strategies, and (2) can create its own capabilities especially in monitoring (Klebaner & Voy-Gillis, 2023).

The fourth point we want to discuss with this paper is the sectoral level of analysis. We may add one criteria to explain the presence or lack of conditionality. Bulfone already used the sectoral level to show the diversity of national policies when it comes to privatisation (Bulfone, 2023). We agree that there is no sector-specific policy trajectory, but we would like to distinguish between sectors whether they occupy an important, strategic position for the state reproduction. The state is an institution which needs some industries to reproduce itself, namely army, defence, justice and so on (Vahabi, 2015). The public procurements are in itself a strong conditional policy, even if the competition rules neutralise them.

Having these four points in mind, we can find a policy system that avoids the corporate welfare policy. The first pillar of the policy should be to create the conditions of an autonomous growth path. Our point is that in comparison with Germany, the value chain disintegration reduced the agglomeration scale economy. In recreating integrated local value chains, we could be able to create strong industrial foundations that can take profits up again thanks to a rising productivity. In this respect, the circular economy paradigm may be one option to rebuild local value chains. Clusters policies have failed to recreate local value chains, as it was generally based on research and development local ties, with some positive results on it (Mar & Massard, 2021), and not to create concrete local productive ecosystems.

The second pillar is to boost the wage growth in protected sectors, like in local service, too pull the industry on a high-road (Aiginger & Rodrik, 2020). It may lead to a short-term inflation, but it will create a minimal mass market to create enough profit for national industries. As Kalecki demonstrated it, or the unbalanced growth theory with other terms, rising wages means rising profits. Thanks to productivity gains, the long-term inflation would be lower than the short-term inflation rate. Moreover, we can find also some room of manoeuvre in lowering the housing expenditures[4] in dense, service-specialised urban area. Following the analysis of Artus (2020), low interest rates increased the purchase of houses, which increased the real estate value. Decreasing the housing price is such areas would benefit to the industry in two ways. One the one hand, it would sustain the demand for high-price manufactured goods, and on the second hand, it would reduce the land-pressure on peripheral urban area, and then reduce the real-estate price for industry.

The third pillar is the ability of the State to identify and monitor the economic activity. Klebaner and Voy-Gillis (2023) demonstrated that France already has the basic institutions and organisations to implement and monitor an industrial policy. However, it would imply the economic and industrial democracy, i.e. creating counter power to the capitalists. In this respect, we may also see the lack of conditionality as a consequence of the absence of rivals to the capitalists. The specific French arrangement in the industrial relations reduce effectively the place of trade unions, which are not considered as legitimate partners when it comes to economic development (Klebaner, 2023).

Finally, the last comment refers to fact that industry is not only creation of value. It is also creation of solutions to address social needs. The national policy must integrate the impact of industry on its own development, and it becomes clear that the state must guarantee, thanks to its coercive power, every sectors that are directly connected to its political goals. The reason of keeping a control on the industry

[4] I would like to thank Anaïs Voy-Gillis for this suggestion.

is not only to keep a source of value, but also to master the technology and the tools, which is detrimental for the sovereignty of every society.

Conclusion

In this paper, we discussed the institutional roots and the consequence of corporate welfare policy. We applied the Régulation theory framework to the French post 2008 development to illustrate. Our point is the recent corporate welfare policies came in France as a response to the manufacturing sector decline. As the profit were declining, industry found in the public policy a source of accumulation in capturing the public value. Thanks to a liberal, centrist dominant social block, it became evident for the state to transfer the social welfare to the corporate welfare, through a kind of market welfare convention. Finally, we estimate that the corporate welfare policy is viable as long as state debt creditors are expecting benefits on the growing public debt, as the growth rate of corporate welfare policies exceed the public service austerity rate and as it becomes difficult to increase taxes from households. The dominant social block is indeed cautious to ensure that households are able to support such systemic policies.

However, we can see two shortcomings of our paper. One the one hand, this paper is only a collection of evidences, creating a kind of a systemic history. Of course, the history is more complex, less causal, and with more contradictions. There are indeed some blind spots to clarify, like the concrete role of elites in the transformation of the French policy. It is clear that the history is not created only by the structural economic development, and so there are many transmission channels we omit in our causal relations.

On the other hand, it is not because the deindustrialisation is the root of corporate welfare policy in France that it is the only cause. As a counterexample, we can observe corporate welfare policies in country with more dynamic industry, like in Italy (Bulfone et al., 2023). Therefore, our point is that deindustrialisation; the specific French integration in global value chains; the wage moderation are vectors to corporate welfare policy, as a new mode of capital accumulation; the monetary order as a catalytic institutional form and the form of the state as the regulation variable. However, this particular institutional arrangement is the consequence of a dominant liberal and social block acting in an institutional context, in which the support for public services and social security is still important. In that sense, we describe more a form of political capitalism, in which controlling the dominant social block is the condition to extract more profit in transferring public funds to corporations. Thus, the capture theory – in the critical literature – seems the most appropriate vector of the corporate welfare policies in France. We understand that this capture is the consequence of the concentration of power in the hands of large concentrations, which is a consequence of the structuration of the French capitalism. We need therefore a multi-level analysis of the power relationships, because the lack of counter power to capitalists at the national policy is necessarily linked with the lack of counter power at firms or local levels.

References

Aiginger, K. (2007). Industrial Policy: A Dying Breed or A Re-emerging Phoenix. *Journal of Industry, Competition and Trade*, *7*(3–4), 297–323.

Aiginger, K., & Rodrik, D. (2020). Rebirth of Industrial Policy and an Agenda for the Twenty-First Century. *Journal of Industry, Competition and Trade*, *20*(2), 189–207. https://doi.org/10.1007/s10842-019-00322-3

Amable, B. (2017). *Structural Crisis and Institutional Change in Modern Capitalism: French Capitalism in Transition*. Oxford University Press.

Amable, B., Demmou, L., & Ledezma, I. (2009). The Lisbon strategy and structural reforms in Europe. *Transfer: European Review of Labour and Research*, *15*(1), 33–52.

Amable, B., Guillaud, E., & Palombarini, S. (2015). Changing French capitalism: Political and systemic crises in France. In *Changing Models of Capitalism in Europe and the U.S.* Routledge.

Amable, B., & Palombarini, S. (2023a). Économie et politique: Le bloc social dominant. In *Théorie de la régulation, un nouvel état des savoirs* (pp. 51–56). Dunod. https://doi.org/10.3917/dunod.boyer.2023.01.0051

Amable, B., & Palombarini, S. (2023b). Hiérarchies et complémentarités institutionnelles. In *Théorie de la régulation, un nouvel état des savoirs* (pp. 38–43). Dunod. https://doi.org/10.3917/dunod.boyer.2023.01.0038

Amable, B., & Palombarini, S. (2023c). Multidimensional social conflict and institutional change. *New Political Economy*, *28*(6), 942–957. https://doi.org/10.1080/13563467.2023.2215701

Andreoni, A., & Chang, H.-J. (2019). The political economy of industrial policy: Structural interdependencies, policy alignment and conflict management. *Structural Change and Economic Dynamics*, *48*(C), 136–150.

Ansaloni, M., Montalban, M., Roger, A., & Smith, A. (2020). Accumulation, capitalisme et politique: Vers une approche intégrée. Introduction au dossier « Accumulation et Politique ». *Revue de la régulation. Capitalisme, institutions, pouvoirs*, *28*, 28. http://journals.openedition.org/regulation/17830

Artus, P. (2020). *40 ans d'austérité salariale: Comment en sortir?* Odile Jacob.

Auvray, T., Dallery, T., & Rigot, S. (2016). *L'entreprise liquidée. La finance contre l'investissement*. Michalon.

Bennett, J. T. (2015). *Corporate welfare: Crony capitalism that enriches the rich*. Transaction Publishers.

Berr, E., Charles, L., Jatteau, A., Marie, J., & Pellegrini, A. (Eds.). (2021). *La dette publique: Précis d'économie citoyenne*. Éditions du Seuil.

Bleuel, P. (2018). Le Mittelstand et le pragmatisme allemand: Un début de solution pour le cas des PME françaises ?. *Revue d'economie industrielle*, *n° 162*(2), 9–41.

Boyer, R. (1995). *Wage Austerity or/and Educational Push: The French Dilemma*. 1–45.

Boyer, R., Chanteau, J.-P., Labrousse, A., & Lamarche, T. (2024). *Théorie de la régulation, un nouvel état des savoirs*. https://www.dunod.com/entreprise-et-economie/theorie-regulation-un-nouvel-etat-savoirs

Buigues, P.-A., & Cohen, E. (2020). The Failure of French Industrial Policy. *Journal of Industry, Competition and Trade*, *20*(2), 249–277. https://doi.org/10.1007/s10842-019-00325-0

Bulfone, F. (2020). New forms of industrial policy in the age of regulation: A comparison of electricity and telecommunications in Italy and Spain. *Governance*, *33*(1), 93–108. https://doi.org/10.1111/gove.12408

Bulfone, F. (2022). Industrial policy and comparative political economy: A literature review and research agenda. *Competition & Change*, 1–22. https://doi.org/10.1177/10245294221076225

Bulfone, F. (2023). Selling the jewels: Patient capital, state-business relations, and the privatization of strategic utilities in Italy and Spain. *Review of International Political Economy*, 1–24. https://doi.org/10.1080/09692290.2023.2284323

Bulfone, F., Ergen, T., & Kalaitzake, M. (2023). No strings attached: Corporate welfare, state intervention, and the issue of conditionality. *Competition & Change*, *27*(2), 253–276. https://doi.org/10.1177/10245294221101145

Castoriadis, C. (1987). *The imaginary institution of society* (1st MIT Press ed). MIT Press.

Cherif, R., & Hasanov, F. (2019). The Return of the Policy that Shall Not Be Named: Principles of Industrial Policy. *IMF Working Papers*. https://doi.org/10.5089/9781498305402.001

Chiapello, E., & Knoll, L. (2020). The Welfare Conventions Approach: A Comparative Perspective on Social Impact Bonds. *Journal of Comparative Policy Analysis: Research and Practice*, *22*(2), 100–115. https://doi.org/10.1080/13876988.2019.1695965

Chtioui, M., & Levratto, N. (2021). Fiscalité locale et dynamique d'emploi des territoires: Analyse empirique sur les communes françaises. *Revue d'Économie Régionale & Urbaine*, *2*, 247–283. https://doi.org/10.3917/reru.212.0247

Coutant, H., & Viallet-Thévenin, S. (2021). The state as an eager shareholder. *Revue de La Régulation. Capitalisme, Institutions, Pouvoirs*, *30 | 1er semestre/spring 2021*, 30 , 1er semestre/spring 2021. https://doi.org/10.4000/regulation.19589

Culpepper, P. D. (2015). Structural power and political science in the post-crisis era. *Business and Politics*, *17*(3), 391–409. https://doi.org/10.1515/bap-2015-0031

Da Silva, N. (2022). *La bataille de la Sécu: Une histoire du système de santé*. la Fabrique éditions.

Dehecq, J.-F. (2010). *Etats généraux de l'industrie—Rapport final* (p. 329). Ministère de l'économie, de l'industrie et de l'emploi.

Delatte, A.-L. (2023). *L'État droit dans le mur: Rebâtir l'action publique*. Fayard.

Fligstein, N. (2001). Social Skill and the Theory of Fields. *Sociological Theory*, *19*(2), 105–125.

France Stratégie. (2020). *Évaluation du Crédit d'impôt pour la compétitivité et l'emploi. Synthèse des travaux d'approfondissement.* https://www.strategie.gouv.fr/sites/strategie.gouv.fr/files/atoms/files/fs-2020-rapport-cice2020-16septembre-final18h.pdf

France Stratégie. (2021). *Évaluation du crédit d'impôt recherche. Avis de la Commission nationale d'évaluation des politiques d'innovation*.

France Stratégie. (2024). *Mission Bozio—Wasmer: Articulation entre les salaires, le coût du travail et la prime d'activité—Point d'étape*.

Frigant, V., & Jullien, B. (2018). L'automobile en France: Vers la fin d'une vieille industrie ? *Revue d'économie Industrielle*, *162*(2è trimestre), 127–162. https://doi.org/10.4000/rei.7153

Garcin, C. (2023). Le Comité interministériel de restructuration industrielle. *Annales des Mines - Réalités industrielles*, *2023*(1), 36–38. https://doi.org/10.3917/rindu1.231.0036

Garsaa, A., & Levratto, N. (2015). Do labor tax rebates facilitate firm growth? An empirical study on French establishments in the manufacturing industry, 2004–2011. *Small Business Economics*, *45*(3), 613–641. https://doi.org/10.1007/s11187-015-9653-1

Gazier, B. (1990). L'employabilité: Brève radiographie d'un concept en mutation. *Sociologie Du Travail*, *32*(4), 575–584.

Gelot, D. (2019, February). Main basse sur la formation continue. *Le Monde Diplomatique*, 8.

Hathaway, T. (2020). Neoliberalism as Corporate Power. *Competition & Change*, *24*(3–4), 315–337. https://doi.org/10.1177/1024529420910382

Houser, M. (2020). La réforme des « impôts de production ». *Gestion Des Finances Publiques*, *5*, 41–49.

INSEE. (2024, July 12). *Quel est vraiment le poids de l'industrie en France et en Allemagne ?* https://blog.insee.fr/combien-pese-l-industrie-en-france-et-en-allemagne/

Jany-Catrice, F. (2019). L'indice des prix à la consommation en France: Acteurs et conflits autour de sa mesure. *Revue Francaise de Socio-Economie*, *n° 22*(1), 19–43.

Juhász, R., Lane, N., & Rodrik, D. (2024). The New Economics of Industrial Policy. *Annual Review of Economics*, *16*(Volume 16, 2024), 213–242. https://doi.org/10.1146/annurev-economics-081023-024638

Kastelli, I., Mamica, L., & Lee, K. (2023). New perspectives and issues in industrial policy for sustainable development: From developmental and entrepreneurial to environmental state.

Review of Evolutionary Political Economy, *4*(1), 1–25. https://doi.org/10.1007/s43253-023-00100-2

Kattel, R., & Mazzucato, M. (2018). Mission-oriented innovation policy and dynamic capabilities in the public sector. *Industrial and Corporate Change*, *27*(5), 787–801. https://doi.org/10.1093/icc/dty032

Klasa, A. (2024, August 21). French caretaker PM outlines spending freeze in 'reversible' 2025 budget. *Financial Times*. https://www.ft.com/content/9b8ec9ec-42fb-452e-b26a-37f232c9a513

Klebaner, S. (2018). *Dynamiques réglementaires et planification des firmes: Les leçons des limites européennes d'émissions de polluants dans l'automobile* [Thèse de doctorat en sciences économiques]. Université de Bordeaux.

Klebaner, S. (2021). *Transition of the automotive industry to an ecological mobility industry* (The Need for Transformation – Current Challenges for the International Automotive Sector. Voices from Unions, Workers, Climate Movement, Industry, pp. 23–56). Rosa-Luxembourg Stiftung.

Klebaner, S. (2022). Théorie de la régulation et histoire du droit: Un croisement fertile. *Revue de la régulation. Capitalisme, institutions, pouvoirs*, *32 | 1st semestre*, 32 , 1st semestre. https://doi.org/10.4000/regulation.21005

Klebaner, S. (2023). Trade unions facing a French industrial policy: The emergence of a medical imaging filière: *Economic and Industrial Democracy*, *44*(2), 573–603. https://doi.org/10.1177/0143831X221086315

Klebaner, S., & Assogba, G. (2018). Quelle cohérence pour la politique française de filières? Les décalages entre la filière solidaire telle qu'elle devrait être et ce qu'elle est. *Revue de La Régulation. Capitalisme, Institutions, Pouvoirs*, *23*(1er semestre).

Klebaner, S., & Montalban, M. (2020). Cross-Fertilizations Between Institutional Economics and Economic Sociology: The Case of Régulation Theory and the Sociology of Fields. *Review of Political Economy*, *32*(2), 180–198.

Klebaner, S., & Voy-Gillis, A. (2023). The political economy of French industrial policymaking. *Review of Evolutionary Political Economy*, *4*(1), 49–74. https://doi.org/10.1007/s43253-022-00089-0

Kuhlmann, S., & Rip, A. (2018). Next-Generation Innovation Policy and Grand Challenges. *Science and Public Policy*, *45*(4), 448–454. https://doi.org/10.1093/scipol/scy011

Laffont, J.-J., & Tirole, J. (1993). *A Theory of Incentives in Procurement and Regulation*. MIT Press.

Lepont, U. (2024). Public spending and austerity: The two faces of the French Investor State. *Competition & Change*, *28*(3–4), 415–432. https://doi.org/10.1177/10245294231213683

Levy, J. D. (2017). The return of the state? France's response to the financial and economic crisis. *Comparative European Politics*, *15*(4), 604–627. https://doi.org/10.1057/cep.2015.36

Li, W. Y. (2023). Regulatory capture's third face of power. *Socio-Economic Review*, *21*(2), 1217–1245. https://doi.org/10.1093/ser/mwad002

Liotard, I., & Revest, V. (2024). Grands Challenges et politiques publiques d'innovation: Un état des lieux. *Innovations*, *74*(2), 5–25.

Lordon, F. (2010). *Capitalisme, désir et servitude: Marx et Spinoza*. La Fabrique.

Maggor, E. (2021). The Politics of Innovation Policy: Building Israel's "Neo-developmental" State. *Politics & Society*, *49*(4), 451–487. https://doi.org/10.1177/0032329220945527

Mar, M., & Massard, N. (2021). Animate the cluster or subsidize collaborative R&D? A multiple overlapping treatments approach to assess the impacts of the French cluster policy. *Industrial and Corporate Change*, *30*(4), 845–867. https://doi.org/10.1093/icc/dtab002

Marleix, O. (2018). *Commission d'enquête chargée d'examiner les décisions de l'État en matière de politique industrielle, au regard des fusions d'entreprises d'Alstom, d'Alcatel et de STX, ainsi que les moyens susceptibles de protéger nos fleurons industriels* (pp. 1–992). Assemblée Nationale.

Martin, P., & Trannoy, A. (2019). Les impôts sur (ou contre) la production. *Notes du conseil d'analyse économique*, *53*(5), 1–12. https://doi.org/10.3917/ncae.053.0001

Mazzucato, M. (2015). *The Entrepreneurial State: Debunking Public vs. Private Sector Myths* (Revised édition). PublicAffairs.

Mazzucato, M. (2018). Mission-oriented innovation policies: Challenges and opportunities. *Industrial and Corporate Change*, *27*(5), 803–815. https://doi.org/10.1093/icc/dty034

Mazzucato, M., Cimoli, M., Dosi, G., Stiglitz, J. E., Landesmann, M. A., Pianta, M., Walz, R., & Page, T. (2015). Which Industrial Policy Does Europe Need? *Intereconomics*, *50*(3), 120–155. https://doi.org/10.1007/s10272-015-0535-1

Mazzucato, M., & Rodrik, D. (2023). *Industrial policy with conditionalities: A taxonomy and sample cases*. https://discovery.ucl.ac.uk/id/eprint/10196231/

Michael, M., & Christofides, L. N. (2020). The impact of austerity measures on the public—Private sector wage gap in Europe. *Labour Economics*, *63*, 101796. https://doi.org/10.1016/j.labeco.2020.101796

Nitzan, J., & Bichler, S. (2009). *Capital as Power. A Study of Order and Creorder*. Routledge.

Offerlé, M. (2013). *Les patrons des patrons: Histoire du MEDEF*. Odile Jacob.

Parrino, B. (2020, April 29). Respirateurs: La CGT parle de « scandale d'État ». *Le Point*.

Pillon, J.-M. (2018). Itinéraire gestionnaire d'un objectif politique. Les évolutions de la mesure du retour à l'emploi des chômeurs. *Revue Française de Socio-Économie*, *20*(1), 39–59. https://doi.org/10.3917/rfse.020.0039

Pinçon, M., & Pinçon-Charlot, M. (2011). *Le président des riches: Enquête sur l'oligarchie dans la France de Nicolas Sarkozy* (Nouvelle éd. revue et augmentée). la Découverte.

Posner, R. A. (1974). *Theories of Economic Regulation* (Working Paper 41). National Bureau of Economic Research.

Riley, D., & Brenner, R. (2022). Seven Theses on American Politics. *New Left Review*, *138*, 5–27.

Stigler, G. J. (1971). The Theory of Economic Regulation. *The Bell Journal of Economics and Management Science*, *2*(1), 3–21.

Stothard, M. (2014, June 16). How Paris repelled General Electric from Alstom takeover. *Financial Times*. https://www.ft.com/content/7727582c-f0b6-11e3-9e26-00144feabdc0

Supiot, A. (2021). Labour is not a commodity: The content and meaning of work in the twenty-first century. *International Labour Review*, *160*(1), 1–20. https://doi.org/10.1111/ilr.12205

Tamma, P., & Hall, B. (2024, June 18). Brussels to chide France over deficit as spending clash looms. *Financial Times*. https://www.ft.com/content/1c977b1f-d002-4bde-9949-820f933410e3

Vahabi, M. (2015). *The Political Economy of Predation. Manhunting and the Economics of Escape*. Cambridge University Pres.

Vahabi, M. (2023). *Destructive Coordination, Anfal and Islamic Political Capitalism: A New Reading of Contemporary Iran* (1st ed. 2023 édition). Palgrave Macmillan.

Vahabi, M., Batifoulier, P., & Da Silva, N. (2020). A theory of predatory welfare state and citizen welfare: The French case. *Public Choice*, *182*(3–4), 243–271. https://doi.org/10.1007/s11127-019-00660-0

Vidal, É., & Labbé, S. (2019). Quelle université pour l'approche par compétences ? *Éducation Permanente*, *218*(1), 73–81. https://doi.org/10.3917/edpe.218.0073

Voy-Gillis, A., & Lluansi, O. (2020). *Vers la renaissance industrielle*. Marie B.

Warwick, K. (2013). *Beyond Industrial Policy* (2; OECD Science, Technology and Industry Policy Papers). OECD Publishing.