

Et Tu Balladur? French Statistics and the Death of CERC

Matt Perry

We are all well aware of the controversies of official statistics in Britain - methods of calculation changed, statistical staff made redundant, old embarrassing indicators done away with, new government-friendly ones introduced.¹ This phenomenon is not uniquely British and the death of the *Centre d'Etudes des Revenus et des Coûts* (Centre for the Study of Prices and Incomes) illustrates the French case. The closure of CERC was 'as unexpected as it was brutal'.² It came about at the initiative of Prime Minister Balladur in an amendment to the Employment Law late last year. The replacement CSERE, *Conseil Supérieur de l'Emploi, les Revenus et des Coûts* (High Council of Employment, Incomes and Costs) will be a shadow of its predecessor. Nine members without a full-time research staff will replace the 42 permanent staff of the CERC 35 of whom were researchers. Most significantly, CSERE will be restricted to using data produced elsewhere. The support for CERC, its independence and credibility was demonstrated by the response to the announcement of its closure with a 500 strong petition in its defence from other researchers from INSEE, OFCE, INED, CEREP, CNRS and protest from all the major unions directed at the Prime Minister.³

CERC was created in 1966 by the French Commissioner of Planning.⁴ CERC therefore was a product of the expansion of the statistical apparatus of the French state with the post-Second World War period. Its role was to chart wages and prices within the overall attempt to stabilise the *grands équilibres* of the French economy (in other words as part of macro-economic policy). It came about as a result of the failure of the wage-price control by the De Gaulle-Pompidou government. In its early years, its role was restricted by the demands of French planning which was to decline in the 1970s. In these early years, the CERC operated without much attention from the public or press.⁵ All this was to change, when Raymond Barre gave CERC a new status and a new mission in 1976 under the CERC presidency of G. Vedel. This was 'to follow the development and distribution of incomes and to evaluate their range before and after social and fiscal changes'.⁶ Since, this key date CERC has been brought increasingly into the political debate and statistical controversies.

Change in the role of CERC reflected general factors affecting official statistics as well as more specific ones concerning the nature of the CERC itself. A more general crisis in official statistics developed because:-

- 1) Economic crisis put pressure on governments to halt or revise the expansion of statistics that had developed hand in hand with the long post-war boom, Keynesian economic consensus and heightened profile of the state within the spheres ownership and economic decision-making.
- 2) Despite a general improvement in statistics since the Second World War, the expansion of state and official international organisations statistical apparatuses had led to a duplication and competition in measuring certain indicators, introducing uncertainty and controversy where otherwise there might have been none. Indeed, Barres original actions were in response to an OECD report criticising the levels of income inequality in France. The report itself was challenged by French official statisticians over its statistical methodology.

Duplication and competing estimates where they exist challenge the state monopoly of statistics. This can occur within national boundaries as with the disagreements of the 1980s between INSEE and CERC over public sector pay and retirement contribution figures.⁷ The obvious weakness of non-state organisations is that in most cases they have to rely on officially produced data to produce their alternative results.⁸ Hence where there is official duplication of statistical functions this can lead to debate over the meaning of statistical series and categories.

- 3) Recessions of the 1970s and 1980s meant that statistics, rather than charting growing prosperity and social progress, could chart social decline or decay. Statistics were no longer a feel-good factor for politicians. Indicators such as unemployment were very uncomfortable for governments to deal with.
- 4) The break-down of the ideological orthodoxy centred around Keynesian economics and a large public sector lead to a counterposing of the state and the market which obviously questioned the scope and practice of government statistics.
- 5) An increasingly coherent critique of official statistics emerged during the nineteen-seventies which though confined in the main to academic sociology had a ripple effect upon the press and to statisticians themselves.⁹

But in addition to these general reasons, problems flowed from the specific position of the CERC.

- 1) An organisation which quantifies incomes and prices in normal circumstances collects data which can potentially be embarrassing to a government. Poverty and wealth statistics, the occupational-income structure can demonstrate (growing) inequality within French society.
- 2) For a number of reasons, the decline of French planning, its relatively small size, and its permanent research staff and funding status, CERC was able to develop a considerable degree of independence from its ministerial paymasters. Thus it has been able to widen the scope of its publications and therefore its public profile. For example, from 1983 it has produced the *Constat Annuel sur l'Evolution des Revenus des Français*.

As a result of this degree of autonomy, CERC was engaged in several key disputes during the last few years. Firstly, it has highlighted the question of public sector pay in particular for French civil servants. They fared badly relative to other French wage-earners let alone those whose incomes come from capital (i.e., rent, interest, dividends). This provoked controversy in 1988 between INSEE and CERC over purchasing power of civil servants pay.

Secondly, in 1990, CERC figures put into focus the embarrassing competitiveness-inequality debate for the Socialist Prime Minister Michel Rocard of growing inequality in France. Rocard's response was to challenge the methods and conclusions of the CERC report. Though finally Rocard admitted that inequality was the cost of pursuing greater competitiveness.

Thirdly, CERC was involved in a storm over the retirement pensions. INSEE published a special issue of *Economie et Statistique* on pensions which provoked complaint from each of the unions within INSEE. The special issue was criticising parts of the CERC annual report dealing with pensions.

Therefore, CERC had assumed an important position within the debate around social issues. The degree of independence that it had developed and the ability to conduct its own empirical work meant that CERC created government annoyance on two levels. Firstly, the specific nature of its brief, incomes and wealth, was controversial.¹⁰ Secondly, government could not rely on a unitary production of statistics to give the impression that statistics are uncontested and the product of neutral, scientific categories.

As its closure was announced CERC was publishing a report on the precariousness of work and the scale of unemployment.

- 3) Accurate and up-to-date figures on prices and incomes are more than mildly embarrassing under specific circumstances. At times, they can be absolutely damning. The question of pay can be the most fundamental political question of the day, under circumstances of a wage freeze within which prices are not frozen and where the wealth of some sections of society continues unabated. It is not unreasonable to speculate that at present some of these circumstances are present within the French political situation. Balladur's government has imposed wage restraint until it was broken by the Air France dispute. The desire to reimpose wage restraint obviously exists. Coincidentally, the Government has embarked upon France's most ambitious privatisation programme in history: Rhone-Poulenc, Elf-Aquitaine, already sold off Renault and others to come later this year. How this will affect France's distribution of wealth might have been charted by CERC, an organisation that regularly researched *patrimoine*. Alas, it is unlikely its successor CSERC will.

Author: Matt Perry, 5 Mason Street, Wolverhampton, WV2 3AG.

Notes:

1. C.Johnson, *Measuring the Economy: a guide to understanding official statistics*, Penguin, 1988.
2. La Tribune Desfosses, 25 February 1994
3. INSEE, National Institute for Statistics and Economic Studies
OFCE, French Observatory of Economic Situation
INED, National Institute of Demographic Studies
CEREG, Research Centre for Employment and Qualifications
CNRS, National Centre for Scientific Research

The combination of these organisations would suggest two fears amongst their personnel, that of a general 'streamlining' of research and a greater level of control over statistics.

4. Le Monde, 11 March 1966. For an account of the creation of CERC.
5. For example, in Le Monde index though it is referenced in 1968 it has no

entries.

6. L'Annee Politique, Economique et Sociale 1976, p.126, 135, 341.
7. L'Annee Politique, Economique et Sociale 1989, p.425 Public Sector pay
L'Annee Politique, Economique et Sociale 1991, p.372. CERC's annual report is criticised over the question of retirement pensions by INSEE, the President and the Prime Minister.
8. For example this is the case for alternative measures of unemployment produced in both Britain and France by the Unemployment Unit and ARIES during the 1980s. M.Perry, *Controversies in Unemployment Statistics: the French Experience*, Radical Statistics, no.47, winter 1990.
9. I. Miles et al, *Demystifying Social Statistics*, Pluto, 1979.
B.Hindess, *The Official Use of Statistics: a critique of positivism and ethnomethodology*, MacMillan, 1973
10. For example the CERC survey of wealth and income in the 1980s came up with a series of figures which would make any minister wince. CERC, *Les Français et leur Revenu: le Tournant des Années 1980*, La Decouverte, 1989. Whilst the position of wages has deteriorated since 1984 revenue on property was strongly increased. Taxes on wealth have declined since 1984 contributions by wage earners has increased from 22.4% of total contributions in 1978 to 29.3% in 1988. Wages had narrowed from 1965 to 1985 and then started widening.