

Spending Efficiency and Reforms

France

Iulia Ruxandra Teodoru and Ruud Vermeulen

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IMF Selected Issues Papers are prepared by IMF staff as background documentation for periodic consultations with member countries. It is based on the information available at the time it was completed on January 10, 2023. This paper is also published separately as IMF Country Report No 23/010.

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Prepared by Iulia Ruxandra Teodoru and Ruud Vermeulen

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ABSTRACT: To rebuild fiscal buffers after large fiscal responses to successive shocks over 2020-22, France will need to reverse the trend spending increase observed over the last three decades through structural spending reforms. This paper identifies areas where scope for savings or efficiency gains exist based on an evaluation of the level and efficiency of public spending in France relative to European peers, using benchmarking analysis and stochastic frontier analysis to derive efficiency frontiers. Reforming social protection, health, education, and civil service, and rationalizing tax expenditures should preserve or improve outcomes while generating savings that would help meet medium-term adjustment needs.

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Author's E-Mail Address:	ITeodoru@imf.org ; Rvermeulen@imf.org

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Approved By
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Prepared By Iulia Ruxandra Teodoru and Ruud Vermeulen

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