



The French notion of *filière* and its uses

Executive summary

The evolving concept of “*filière*”

The notion of “*filière*” is often viewed as specifically French. There is no equivalent term in English. Some economists equate it to a commodity system that gathers all the stakeholders involved in producing, processing and commercializing a product¹.

In recent years, the *filière* has generated new interest among both public decision-makers and economists. The term was initially proposed in the 1950s to analyze the industrialization of the food industry. From 1960 to 1980, it was used as a tool for planning policy, since this kind of policy requires an understanding of the links between different upstream and downstream industries and between the different parts of an industry.

In the 1980s, the notion of *filière* was no longer an approach to describe the different operations required to transform a raw material into a final product. It broadens, to consider the links between stakeholders and to integrate the impact of technologies in its development.

From the end of the 1980s, the concept of *filière* and its use attracted less attention due to globalization which had raised new challenges for the economy and new questions about vertical integration. 1990-2000 saw a sharp increase in sub-contraction, partnerships and alliances, which together formed the basis of what is known as vertical disintegration. In order to cover the complexity of production networks, the notion of *filière* began to include cross-sectoral cooperation, synergies, coopetition approaches, etc. Analyses of contemporary *filières* encompass other approaches, such as global value chains and supply chains.

The concept of *filière* has therefore significantly evolved over time to include an increasing number of aspects, i.e. transformations of the economic environment, changes in industrial strategies, and government choices.

¹ Davis J. and Goldberg R., 1957.

Currently, the word *filière* is widely used in France, although no precise and universally accepted definition of the concept exists. The term can actually cover very diverse content. As V. Plauchu writes, “we talk about the ‘wood *filière*’, the ‘textile *filière*’, the ‘health *filière*’, the ‘electronics *filière*’, etc. The first is defined by a raw material, the textile *filière* by an intermediary stage, the health *filière* is based on a major function, and the electronics *filière* is a very general reference to a product”². This diversity illustrates how difficult it is to define the notion. In any case, the problems in specifying a *filière* (i.e. identifying its contours, structure and how it operates) make it more complicated to analyze.

No single method exists to divide the production system into *filières*, and the result is a variety of representations, analyses and initiatives. The way the term *filière* is used ultimately depends on the decisions we want to highlight. In extreme cases, it can be a communication tool benefitting from the latest trend.

However, its value goes beyond this superficial syndrome. The *filière* concept is a genuine tool for analyzing and devising strategic actions.

A reference tool for the French industrial policy

Filières constitute a reference framework to analyze companies’ strategies with a focus on their economic relationships, interactions, and different positions (e.g. balance of power, domination effects, spillover effects). For the public authorities, a *filière* is seen as a tool aimed at guiding the economic policy both at the regional and national level, identifying the gaps and opportunities in the coordination of interactions between the various stakeholders to produce, process or commercialize a product.

The notion of *filière* was updated with a project launched in 2009, the Etats Généraux de l’Industrie (EGI). The EGIs allowed to identify the French industry’s main plague, such as a lack of solidarity between the major industry leaders and their fragile supplier networks³, and resulted in a consensus: a *filière*-based approach is the best option “to enable small and large companies to communicate with each other”⁴ and to stimulate the relationships based on partnerships and solidarity.

Filières have become a public intervention tool through the setting up of bodies working on developing platforms for cooperation between stakeholders or via incentive policies. The Conseil National de l’Industrie (CNI) (National Industry Council) gives momentum to *filières*. Its objectives include the promotion of pacts between interdependent industries. The council’s creation in 2010 coincided with the government’s launch of a new industrial *filière* strategy devised to “draw up a map of the French production for the 2020s”. This strategy involved selecting fourteen “strategic” *filières* identified by the new CNI according to their development potential and current significance in France in terms of jobs, leading companies,

² Plauchu V., 2007.

³ Some observers have called for a change in mentalities that would imply the use of a different vocabulary, e.g. referring to the relationships between customers and suppliers, or even between partners, rather than between order givers and sub-contractors.

⁴ Assemblée nationale, 2013.

etc. Thus, the government hopes to “save what already exists”, “promote tomorrow’s *filières*” and “prepare the industry of the future”. In other words, this ambitious policy is based on a variable, and in fact very general, definition of *filières*. It brings together various measures to support competitiveness that aim to curb France’s deindustrialization.

One temptation is to “format” the different key planks of the industrial policy, such as corporate aid, and slot them into a France divided up into several *filières*. This is not, however, the most efficient way of splitting them up: it can lead to distortions and reduce the visibility of private stakeholders that operate in a cross-cutting, inter-*filière* way.

The need to consider alternative approaches

Collaboration within *filières* often competes with other types of useful or complementary cooperation. For instance, many specialists in generic technologies (embedded software, electronics, numerical/digital simulation) work for clients from a wide range of sectors and *filières*. Under which *filière* should these companies be ranked?

In a similar vein, geographical networks (local production systems, competitiveness clusters, company clusters, etc.) sometimes involve different stakeholders in a region to work on cross-cutting projects. The effects of cross-fertilization generated by these clusters cannot be ignored.

This raises questions as regards the need to interconnect the policy on *filières* with other approaches to reflect the stakeholders’ diversity.

The case of Germany is particularly instructive. Although vertical cooperation and inter-company solidarity throughout the value chain are crucial in Germany, the country’s industrial policy is not organized around *filières*. Government action centers more on a general policy to support the competitiveness of the industrial system, with a particular focus on establishing a regulatory framework conducive to economic development (business climate, professional qualifications, etc.).

The aim of the present document⁵ is not to judge the relevance of the current government policy on *filières*, but rather to examine this concept, which over time has become a reference framework to analyze the strategic choices made by companies and public authorities.

Our work is organized around five chapters.

The first looks at the notion of *filière* and its evolution. It describes how this concept contributes to understanding the transformation of production systems and devising decision-making tools for companies and public authorities. The second chapter includes an overview of the recent measures taken to support *filières* and reviews the setting-up of these measures as a result of the Etats Généraux de l’Industrie. The third chapter identifies the *filières* good practices, especially in the “transport” *filières*. The fourth presents additional approaches and examines the opportunities to connect them to a policy of *filières*. The fifth chapter looks at the German approach in terms of industrial policy choices. It underlines the priority given to horizontal policies.

⁵ In response to a request from the Cercle de l’industrie, approved by the board of directors on April 11, 2012, La Fabrique de l’industrie initiated a debate on the topic of *filières*. This activity was conducted following studies and a note by the Cercle de l’Industrie on *Success Factors in the Transport Industry*.

About La Fabrique de l'industrie

La Fabrique de l'industrie is a think tank created in October 2011 by UIMM, the Cercle de l'Industrie and the GFI, with the aim of boosting and improving collective debate on industrial challenges. Its Chairmen are Louis Gallois and Denis Ranque. As a centre of thinking and debate, La Fabrique takes an in-depth, multi-disciplinary approach to the current situation and perspectives of industry in France and Europe, the attractiveness of its professions, its relationships with different stakeholders, and the opportunities and challenges brought about by globalization. It organizes exchanges of opinion and analyses to shed light on complex, subtly different situations. It readily works with any institution that can help it accomplish its missions. La Fabrique de l'industrie is a resource centre for all those involved in debates on industry: it gathers information, creates new spaces for dialogue, and produces critical reviews that decode the multiple points of view.

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