

This copy is for your personal, non-commercial use only. Distribution and use of this material are governed by our Subscriber Agreement and by copyright law. For non-personal use or to order multiple copies, please contact Dow Jones Reprints at 1-800-843-0008 or visit www.djreprints.com.

<https://www.wsj.com/articles/frances-macron-under-fire-for-hiring-mckinsey-for-covid-vaccine-rollout-11648742872>

WORLD EUROPE

France's Macron Under Fire for Hiring McKinsey for Covid Vaccine Rollout

Contracts stir criticism of president as his re-election campaign nears its final week



French President Emmanuel Macron meeting with supporters during a campaign stop in Fouras, France, on Thursday.

PHOTO: STEPHANE MAHE/REUTERS

By *Nick Kostov* [Follow](#) and *Stacy Meichtry* [Follow](#)

March 31, 2022 12:07 pm ET

PARIS—Scrutiny of the French government's spending on private consultants during the vaccine rollout has thrown President Emmanuel Macron on the defensive as his bid for re-election approaches its final week.

The French Senate released a report earlier this month detailing how the government spent €893.9 million, equivalent to \$993 million, last year on consultants, including McKinsey & Co., to help French officials navigate the pandemic and other challenges. That was a sizable increase on the €379.1 million spent in 2018, Mr. Macron's first full year in power, the report said.

The outlays have stirred criticism in a country that is accustomed to having an army of civil servants manage state affairs. The uproar was compounded on March 25 when the Senate committee that produced the report issued an additional statement alleging that McKinsey,

which is based in New York, hasn't paid corporate tax in France for at least a decade, despite making €329 million in revenue in the country in 2020 and employing some 600 people.

Mr. Macron told French TV there was nothing improper about the consulting-firm contracts, adding that he had fought since the start of his term to make sure companies that operate and make profit in France pay taxes. French authorities opened an investigation into McKinsey's tax situation in December, before the Senate's report was published.

"No contract is signed in the republic without respecting the rules of public procurement," Mr. Macron said. "Whoever has proof of any manipulation should challenge the contract in criminal court."

The French unit of McKinsey said it "complies with applicable French tax and social-security regulations." The company said that from 2011 to 2020, it paid "over €422 million in French taxes and social-security contributions, representing nearly 20% of its cumulative revenue over the same period."

The *scandale McKinsey*—as it has become known in France—has landed in Mr. Macron's lap at a pivotal moment in France's presidential election. Mr. Macron built a comfortable lead over his rivals going into the first round of voting on April 10 by strutting on the world stage, holding talks with President Vladimir Putin before Russia's invasion of Ukraine and regularly speaking to him by phone as the conflict deepened.

In recent days, however, far-right candidate Marine Le Pen has begun to close in on Mr. Macron. One poll on March 28 showed her garnering 47% of the vote to Mr. Macron's 53% in the election's runoff. That is much narrower than in 2017 when Mr. Macron garnered 66% of the vote to Ms. Le Pen's 34%.



Far-right presidential candidate Marine Le Pen has narrowed the president's lead, according to a recent election poll.

PHOTO: JEREMIAS GONZALEZ/ASSOCIATED PRESS

The Macron government's reliance on globe-spanning consulting firms provides fodder for opponents who continue to cast the former investment banker as being part of a cabal of global elites that aims to dismantle France's public services.

"The recourse to consultants has become a tentacular phenomenon," the Senate report said, adding that the influence of consulting firms in government put them "at the center of public policy."

The report was produced from Senate committee hearings in recent months that questioned two high-ranking McKinsey employees, including Karim Tadjeddine, a partner in McKinsey's Paris office where he leads the public-sector practice. Mr. Tadjeddine testified that he used his McKinsey work email address to communicate with Mr. Macron's campaign in the run up to the last election in 2017, which he described as an error in judgment.

On Wednesday evening, Mr. Macron's government sent two ministers to address reporters about the state's use of consultants. "We have nothing to hide," said Amélie de Montchalin, minister of public-sector transformation and the civil service. Budget Minister Olivier Dussopt said Mr. Macron's opponents were trying to manipulate the report's findings in an act of "political opportunism."



Amélie de Montchalin, minister of public-sector transformation and the civil service, and Budget Minister Olivier Dussopt addressed reporters Wednesday in Paris about the government's use of consulting firms.

PHOTO: VINCENT ISORE/ZUMA PRESS

The two ministers said the use of private consulting firms by governments was nothing new, pointing to a section in the Senate report that said France used them less than Germany, the U.K. and other neighbors.

They also said that some two-thirds of the total expenditure on consultants was for IT and cybersecurity services, and that the state had been under pressure during the pandemic to respond to the challenges while continuing to enact Mr. Macron's economic overhauls.

"Did we delegate the management of the crisis to consultants? No, it's a fantasy to think that," said Ms. de Montchalin, adding that consulting firms provided advice and didn't make decisions.

Mr. Dussopt sought to play down McKinsey's role, saying that France used some 2,000 consulting firms in all, including Capgemini SE and Eurogroup Consulting AG. McKinsey received around 5% of state spending on strategic advice, he said.

The Senate report highlighted McKinsey's work on France's Covid-19 response, including its vaccine rollout, for which it received some €12.33 million. The report also mentioned the company's €496,800 contract, paid for by the Ministry of Education, to advise on changes to the teaching profession as well as work product for a planned reform to France's pension system, which was eventually shelved.

Write to Nick Kostov at Nick.Kostov@wsj.com and Stacy Meichtry at stacy.meichtry@wsj.com

Appeared in the April 1, 2022, print edition as 'Macron Under Fire for Hiring Consultants'.