



**The Clash of Times:
the World Economy between Emergencies and the Long Term**

Final statement by the Cercle des Économistes

Aix-en-Provence, 7 July 2013

The world has never been confronted by such difficulty in managing the gaps between time-related horizons. The **clash of times** is the gap between the time of politics, that of populations, and that of institutions. It is also the conflict between the short time of the financial world and that of the corporate world.

The difficulty in getting out of the financial crisis precipitates this conflict of times. Our challenge is to conceive the **transition** to balanced and sustainable growth by reconciling the need to go quickly with the need to protect the vulnerable groups.

In Europe, the Euro zone crisis is far from being resolved, but the **matter of urgency** is also to find new political solutions to **revive growth**. In France, the matter of urgency concerns structural reforms. The youth are the great sacrifice of the times we are going through. That's why the Cercle des économistes has organised a competition called "Invent 2020! It's the students' turn to speak."

12 proposals to bring back confidence:

In Europe, exit from the crisis will happen on two conditions: a realistic agenda for the reduction of public debt and transfer of savings from the North to the South:

- 1. Implement a single European mechanism to restructure the banks.**
- 2. Risk management that favours long-term investment**
- 3. Establish a counter-cyclical European unemployment insurance**

For France, six measures to speed up the competitive impact:

- 4. Overturn the CICE (tax credit for competitiveness and employment), to lower than the social contributions in 2014.**
- 5. Continue to reform the labour market through better social dialogue, by simplifying the branch system (reduce the current 600 branches to 40).**
- 6. Implement a pension reform that will apply only to new entrants in order to start the transition towards structural balance.**
- 7. Conduct a supply policy in real estate (free the land), transport and distribution.**
- 8. Cause a technological breakthrough in the environment industry by redirecting the R&D tax credit to the clean energy and technology sectors.**
- 9. For an efficient State, eliminate the structural doubles with a simplified architecture of local and regional authorities and agencies that do not rely on assigned taxes.**

Youth is a wonderful asset for France. All youth-related policies go through a transfer of resources to the young, which could reach 1 to 2 points of the GDP.

- 10. Create a "youth contract": a monetary allowance against contractual commitment to look for a job or go on a training scheme leading to a qualification for the 1.9 million young people who are neither students, nor employees, nor on a training scheme.**

11. Increase the second chance schools tenfold

12. Promote the integration of young people on the labour market:

- Give each young person the right to an apprenticeship
- Make trial periods and work-study combinations tax exempt

Read the full statement on <http://www.lesrencontreseconomiques.fr>

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