

France, Aix-en-Provence, July 8th 2018



**Déclaration finale du Cercle des économistes
18^e Rencontres Économiques d'Aix-en-Provence**

Over the past few months, the troubled atmosphere in the world has often been analyzed in too simple a way. As history has often proven, what seems to be permanent is just a short phase in our trajectory. Whether in terms of technology, migration, environment, identity or geostrategy, the world has undergone a number of metamorphoses over time. What is new is that these changes are mutually reinforcing each other. For instance the geostrategic upheavals are based on nationalistic temptations, which are reinforced by the perception that a large part of the population is downgraded and marginalized. All of this has called into question the very idea that multilateralism is the natural vehicle for settling conflicts. We see these drifts appear day after day, and this is our fundamental assumption: it is an irrepressible movement and only new forms of dialogue, new actors, as it was the case for the COP21, will allow us to get out of this dangerous spiral.

Faced with these metamorphoses, five urgent challenges need to be addressed. We tried to bring innovative, realistic answers, that primarily deal with the desire to renew the threads of dialogue at all levels.

Proposals for a pacified world

1. Taking the lead for a multilateral alliance

- Bringing together a number of willing countries that believe in multilateralism, to form an initiative, spurred on by Europe, called "Multilateral Alliance" (MA). Its central role would be to maintain a dialogue at global level and to represent a sufficient counterbalance to challenging nations, including the United States. This initiative would have a clear status, a budget, a formalized agenda, a defined scope of intervention and would obviously be given the means to function.

- Improving the functioning of the WTO to make it more efficient and simple, notably in terms of the Dispute Settlement Body (DSB). We need to rebuild the WTO, guarantee the full participation of emerging countries in the initiatives that would be taken, and sanctuarize the preferences granted to the Least Developed Countries (LDCs) when renegotiating developing countries' status at the WTO

2. Rebuilding Europe

Europe must be rebuilt around its fundamental values with those who share them while preserving the economic and financial basis. We are aware that this could jeopardize the functioning of existing organizations. This is why we believe it is essential to consolidate existing financial and fiscal arrangements.

- Finalising the banking union, accelerating the schedule of the capital markets union and ramping up the mechanism for solidarity at European level to ensure action from prevention to response. Creating mechanisms supporting the European Central Bank in its role of insurance in supplying liquidity and create a European "secure asset".
- Reforming the European Globalisation Adjustment Fund (EGF) by improving data collection on globalisation's losers and by revising the program's rules to increase its use and capacity to respond.
- Strengthening our competition policy with an adapted regulation which excludes and sanctions monopolies firmly. This concerns firstly tech companies set up in Europe. Furthermore, we must solve their tax-related problems and tax them according to the French proposal based on their global profits and disaggregating them between States with the help of a distribution key that cannot be manipulated, namely total sales in each country.

3. Establishing a veritable strategy for welcoming asylum seeker

- Creating reception centers dedicated to asylum seekers, mainly in Europe but also on the African continent, with the latter co-managed by Europe and Africa. In addition, the United Nations must be able to stand in for institutions in countries showing incapacity to ensure minimum respect of human rights. This corresponds in the first place to Libya.
- Creating a European asylum procedure within a group of willing countries, with a common right of asylum, a common agency and a common protection of borders. Those countries would mutualize the costs of processing asylum applications, grant refugees freedom of movement and establishment in the countries of the group, and would impose to countries that do not participate a much more significant financial contribution than today
- Investing heavily within this group, in the integration of asylum seekers into the labor market by reducing time to education, training them and eliminating work bans

4. Found a Euro-african project

- Initiating a 10-year Euro-African infrastructure financing plan mainly involving water, energy and training, and providing the African continent with the financial structures needed to manage

very significant financial flows by creating an African Finance Company This could be based on existing structures such as the AfDB.

- Giving 15 years of tariff and trade protection to African agriculture so that it can face global competition
- Streamlining and rationalizing migrants' savings transfers to their countries of origin by lowering international remittance fees and allowing frequent transfers with small amounts.

5. Recreating social cohesion in France

Recreating social cohesion requires addressing the current lack of social mobility and the issue of poverty.

- Conducting policies similar to the housing policies that have been put in place to promote/encourage social diversity at school, from kindergarten and primary school.
- Requiring that the government's training plan give sufficient weight to technological training, apprenticeship and lifelong training, and ensuring that it benefits those who have been marginalised from the education system.
- Maintaining and expand use of the “Activity Premium” program.
- Following the recommendations of the Senard Notat report, which is the bearer of this widely shared desire to make the way companies operate more meaningful. We need to broaden the company's mission in society and that begins with a better distribution of profit. We are therefore in favor of the generalization of participation and profit sharing to all companies. In respect of employee representation in decision-making bodies, we are convinced that we have to be very daring and strive to generalise this system. Finally, one can legitimately wonder about the dictatorship of short-term profitability requirements. Providing businesses with medium and long-term prospects would allow a renewal of social capitalism in Europe.

About Les Rencontres Economiques d’Aix en Provence

Created in 2001 by *Le Cercle des Economistes*, *Les Rencontres Économiques d’Aix en Provence* have become an incomparable meeting place for current economic thought from France, Europe and the world. The event is free and open to the public. The 2018 edition, which ran from July 6 – 8, 2018, brought together 250 speakers for three days of debates before an audience of thousands around the theme, “The World’s Metamorphoses.”

For more information and videos of the sessions: <https://lesrencontreseconomiques.fr/2018/?lang=en>