Session 22 – Can cooperation manage without confidence?

The subprime crisis in 2008 was a real electric shock. Beyond the economic and financial aspect, the failure of regulation and control mechanisms brought about a profound crisis of confidence. In a globalised economy marked by a worldwide division of work and heightened specialisation, consumers, workers and businesses now face a growing problem of traceability and control concerning the quality of their consumption, investment and savings. These difficulties are exacerbated by the constant appearance of innovations. If these crises of confidence get worse, this would inevitably lead to the interruption of international trading and a collapse in global growth.

To protect themselves, everyone would only consume and invest in what they could control directly. While the effects of the 2008 economic crisis seemed to have finally played themselves out, the crisis of confidence is still very much alive. Economic and social tensions are rising, and people's mistrust of the institutions in charge of calming them seems to be growing. Rather than adopting cooperative behaviour and seeking the best compromise for everyone, transnational agreements appear to be dominated by a free-for-all attitude. Distrust of markets and institutions and transnational problems like the migratory crisis, terrorism and global warning all foster populist ideas, protectionism and conspiracy theories, which have real consequences for populations. Brexit, Donald Trump's election and the recent populist victory in Italy are only some of the examples in a period where the ideals of openness and international cooperation between human communities are now being seriously questioned.

Given these potential threats, how can confidence be reestablished in markets and institutions? Could certification be a solution? How can we avoid the pitfall of the lack of certification that made the 2008 crisis possible? What would be the role of States? What role could the international community play?