

TEN REQUIREMENTS FOR THE PRESIDENTIAL ELECTION

LES RENCONTRES ÉCONOMIQUES D'AIX-EN-PROVENCE 2021

July 4, 2021



On July 2, 3 and 4, 2021, Le Cercle des économistes brought together more than 350 speakers from all walks of life, from the academic, economic, trade union and social worlds, for the 21st Rencontres Économiques d'Aix-en-Provence on the theme "Embracing the future, together". Three days of debates open to all to think about the society of tomorrow.

The aim of the Rencontres Économiques d'Aix-en-Provence 2021 is to provide answers to two major questions that must be addressed in the public debate: what is the future of capitalism? How can France really rebound?

Based on the reactions of the members of Le Cercle des économistes¹ and the debates held during the 56 sessions, Les Rencontres put forward 10 proposals on the most important subjects.

1 – Training and Qualification

PROPOSAL 1 Fight against the deficit of training and qualifications in France.

- Prioritize the financing of education from early childhood onwards, where inequalities are determined, by reorganizing the time of attendance, training and remuneration of teachers.
- Massively integrate companies in the process of developing lifelong qualifications and requalifying the 1.5 million young people who are neither in employment, nor in education, nor in training (NEET). This is likely to involve financing a massive increase in the number of "écoles de la deuxième chance".

¹ Except Agnès Benassy-Quéré, Laurence Boone, Benoit Coeuré, and Claire Waysand due to institutional status.

2 - Youth

PROPOSAL 2 Generalize the Youth Guarantee ("Garantie jeunes") to all students, apprentices, young workers and NEETs (young people who are neither in employment, nor in studies, or in training) who are financially independent. It provides with both financial and coaching support, and takes into account the specificity of the previous categories. The financing of this measure must be linked to the pension system reform.

3 – Pension system reform

PROPOSAL 3 Fully integrate the pension system reform in the major proposals of the presidential.

- Target the reform on the increase in required annuities, and avoid a sterile debate on the retirement age.
- Complement this pension reform with solidarity measures. At least two solutions must be implemented. First, the granting of additional annuity credits in specific situations, such as parental leave, hardship or compensation for inequalities in life expectancy between socio-professional categories. Second, the implementation of a decent minimum income for all vulnerable categories such as single unemployed women over 60 years of age or senior citizens over 80 years of age receiving low pensions.

4 – Supporting low wages

PROPOSAL 4 Support the low wages of "front line" professions, as observed during the crisis, both public and private. The lack of wage consideration in view of their social usefulness and their arduousness can no longer be ignored.

- Initiate a National Forum on Low Wages in order to significantly increase the minimum wage in the sectors where wages are the lowest, for example in the supply industry, catering, cleaning, health or food processing.
- Increase the remuneration of caregivers, teachers and university lecturer and researcher in the public service.

5 – Effective use of French savings for investment

PROPOSAL 5 Provide households with a partial public guarantee for their savings when invested in the equity of VSEs and SMEs, subject to a certain level of wealth. This system, dedicated to average savers, would guarantee part of the riskiest investments, i.e. those with long-term profitability. The risk of financing the economy would thus be borne by both the State and households. They would contribute all the more to the development of economic activity.

6 – Industrial competitiveness

PROPOSAL 6 Support French industrial competitiveness by reducing, among the production taxes, those that penalize these sectors more, taking into account subsidies. Thus, French industrial taxation and subsidies will converge towards the European levels.

7 – Disruptive innovations

PROPOSAL 7 Create a two-tiered ecosystem favorable to disruptive innovations.

- On the European level, on the model of the American BARDA and DARPA, strengthen the model of project-based research agencies, where projects are funded by external research teams, rather than the model of resource-based research agencies where research is carried out by internal employees. This transformation must be accompanied by a greater acceptance of risk and potential financial losses by public agencies, as the risk is high when it comes to disruptive innovations.
- On the French level, three measures must be decided. First, reorganize public research institutions (CEA, INSERM, CNES, etc.) to avoid duplication and focus research funding on disruptive innovations. Second, increase French research and development spending to 3% of GDP. This increase of 20 billion euros per year would take us to the level of the great innovative nations such as the United States, Germany and the countries of Northern Europe. Finally, we need to improve the effectiveness of the Research Tax Credit (“Crédit Impôt Recherche”) for SMEs by linking the contingent deduction thresholds to the importance of R&D in France.

8 – European fiscal rules

PROPOSAL 8 Review the public deficit and debt criteria of Maastricht and the Stability and Growth Pact, which no longer match the European reality. The real question is their sustainability. We have to adopt an approach based on expenditure rules rather than on deficits, at the French and Euro Zone scales. That is to say, prioritizing a logic of public policy results rather than of means, and implement it through responsible cost centers. This multi-year approach to public spending by cost centers makes sense in the context of their accountability.

9 – International cooperation on cybersecurity

PROPOSAL 9 React to cyber risks by setting up an international conference on cybersecurity to agree on international rules for cyber warfare, based on the Geneva Conventions.

10 – The ecological transition

PROPOSAL 10 Activate the three necessary levers to achieve the European Union's objective of carbon neutrality by 2050.

- Extend the European CO2 emission trading system (ETS) to all sectors. Redistribute its revenues to households, thus compensating the anti-redistributive effect of the carbon tax and encouraging the consumption of low-carbon assets (electric vehicle, boiler, home insulation...);
- Abolish the free allocation of CO2 emission allowances within the European Union;
- Use part of the revenues from the Carbon Border Adjustment Mechanism (CBAM), as proposed by the European Commission, to finance decarbonization in the most polluting countries.