

Confrontations Europe

DISCOURSE ON METHOD



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This effort was driven by an overriding and obstinate determination to lend new ideas and direction to the public debate on how to revive investment and thus build the foundations of future growth. It was led by Philippe Herzog and involved men and women from very different backgrounds who were keen to reconcile economic and financial thought with societal objectives, across social and national boundaries.

What was the ultimate goal? To turn ideas into projects that will change the way we live and boost economic growth; and to mobilise the funds needed to get these projects off the ground, in accordance with a common vision of what the European and global economies should be. The information and technology revolution has forced us to look at education, business and territory in a new light. And money creates social ties. It requires a market, regulation, transparency and democracy. It forms a link between people from different countries, including manufacturers, consumers, regulators and speculators. The 2008 financial crisis forced them all to pull together in an effort to get the global economy back on its feet. These people often do not know

each other and try to shift responsibility onto one another.

Through its office in Brussels and its working groups, the association is going to bring them together and work with them to develop a global analysis and put forward proposals for reform. The goal is to incorporate investment and investment funding into growth and employment strategies that look beyond narrow national and corporatist interests.

A project with very concrete implications

A “crisis” group has been set up, led by our friends Herzog and Aglietta, both of whom are former students of the Ecole Polytechnique. It will organise 16 meetings with experienced people. It will act as a macroeconomic advisor and the other groups will draw on its experience to link the economic analysis to industrial and social issues that, although more micro-economic, are no less important. They will also call for a renewal of management practices, since we have to do more than just rethink the monetary and budget policies and reform the market rules and framework. We also have to redefine the roles of banks and insurance companies and make sure that project owners, industrial companies and service providers confronted with globalisation are aware and take advantage of digital technologies, KETs, new forms of energy and new job skills.

The “bank” group chaired by Marie-France Baud is exploring the various stages in the development of a European financial market and a banking union, analysed and clarified by experts and by the responsible MEPs, such as Elisa Ferreira and Jean-Paul Gauzès. The “insurance” group – after working for three years on modifying the Solvency

II Directive – is shifting its focus towards the role of insurance companies in long-term investment. It will be working alongside Axa, Malakoff, CNP and Allianz France, as well as mutuals and pension funds.

New options are emerging, which have been popularised in *La Revue* and *Interface* and verified during discussions with Jacques de Larosière, Olivier Guersent, Benoît Coeuré and others...

The question of the European budget is being investigated by a dedicated group led by Carole Ulmer and Alain Lamassoure and benefiting from the experience of highly-placed members of the Commission such as Hervé Jouanneau. Fresh efforts to integrate the single market are discussed at regular meetings of the “Internal Market” group, and the “InduServices” and “Energy” groups organise surveys and conferences on common policies in areas of strategic interest (industry, energy and services). These policies are also being addressed by a special task force consisting of representatives of Alstom, Bouygues, Airbus Group, Sanofi, Michelin, various trade unions, regional councils and Directorate Generals of the Commission. It is difficult to mention everyone here! Philippe Herzog are constantly summarising the main outputs of the working groups in order to establish joint conclusions and issue policy recommendations. Thus the association is weaving its web and, with the help of its partners, is putting together a coherent project that will culminate in 2013 with a draft reconstruction contract in which long-term investment will be one of the five main objectives.

The rewards

The association, which is often compared with the “Commissariat

au Plan” (economic advisory committee), has developed a highly-respected forecasting and strategy-making capacity. In addition, its founding president has been special advisor to Commissioner Michel Barnier for the past five years. Confrontations Europe is also recognised as an authority on long-term investment by the Long-Term Investors Club created by the CDC with the EIB, the KfW and the Cassa Depositi e Prestiti. Augustin de Romanet, Philippe Maystadt and Franco Bassanini are becoming friends. All our hard work paid off with the publication of the Green Paper on the financing of the European economy. But the Green Paper was just the first step towards our goal: we need to capitalise on it now!

So Confrontations Europe has come up with the idea of a European Long-Term Investment Conference and set up a European steering committee: for a year, a team of sixty people will work on developing strong policy guidelines – if not concrete recommendations – for a 2014-2020 action plan.

Today, President Juncker is talking about mobilising €300 billion to revive investment. But we still do not have either the tools or the governance system needed to implement the plan successfully and to take things further. At the European Long-Term Investment Conference, public and private-sector players will meet and talk with each other and with representatives of the Community institutions: it could be a means of setting up a European long-term investment strategy. ☺

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Les Entretiens Européens

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