

COMPETITIVENESS:

STAKE OF A NEW MODEL FOR DEVELOPMENT

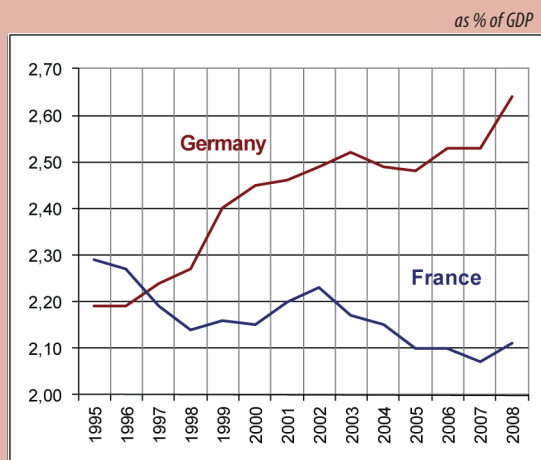
The European Union defines competitiveness as the capacity of a nation to improve the standard of living of its people in a sustainable manner and obtain a high level of employment and social cohesion in a high quality environment. It can be judged on the basis of the capacity of a territory to maintain and attract business and the ability of businesses to take on their competitors.

In comparison with Germany, our economy has been showing signs of weakness since the beginning of the new millennium, which has led to market share losses, particularly in the eurozone.

However, France possesses many advantages: a central geographic location, a young demographic, a high quality workforce, infrastructure and public services, a high level of social protection that justifies the high tax burden.

Nevertheless, education standards and the reputation of industry are declining. An examination of the French production system reveals a low number of medium sized businesses, an insufficient R&D drive in the private sector, difficult relations between businesses and the banking system, and a self financing rate that is among the lowest in Europe.

Development of the research effort in France and Germany



Source : Report on national research policies
and higher education (PLF-1996-2011)



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THE PROPOSALS OF THE ESEC

➤ Defining long term objectives

1. For sustainable growth

The determination of future niches for our country must include a transition to sustainable development.

2. State strategy and reindustrialisation

The state must maintain a long term vision by putting in place an industrial policy and then supporting the resulting investment.

3. For a real European industrial policy

First of all, this must not penalise industry.

In this regard, competition policy must no longer be maintained at the level of dogma.

➤ Improve the business environment

1. A renewed framework for financing enterprises

The banking sector must be more focused on economic development, particularly that of small and medium sized enterprises.

Encouraging increases in self financing could draw on a change in the tax rate for companies that support economic activity, employment, and the environmental transition.

2. Infrastructure linked to territories in need of modernisation

Particular attention should be paid to maintaining our competitive advantage in terms of infrastructure while also incorporating environmental concerns.

3. Stability and development of the fiscal and social environment

The choice of a high level of social protection has demonstrated its importance, particularly in periods of crisis. The costs involved lead to questions above its funding, which must not be borne solely by employees. The ESEC indicates the following policy options for study: Universal Social Contributions (CSG), "social VAT", a contribution based on the added value of businesses, transfer of tax to the consumption of natural resources and financial exchanges.

➤ Encouraging human potential

1. Strengthening the attractiveness of the scientific professions

There is real disaffection with regard to these professions in our country. This state of affairs must be fought from the first years of schooling.

2. The essential role of apprenticeships and ongoing training

All the apprenticeship and part time study options must be facilitated; they must no longer be seen as the default option. The ongoing training is an important issue and should be undertaken by people of all levels of qualification.

3. Corporate Governance

The involvement of employees in corporate governance has a positive impact on the economic and social performance of business; it must be pursued in all its forms.

4. Towards a new redistribution of added value?

Apart from the possibility of expanding the right of participation and involvement, the payment of charges is, in certain circumstances, an option worth considering.

The ESEC calls for greater financial regulation to encourage socially responsible investment.

➤ Energise the production system

1. Consolidate the economic fabric

Particular attention must be paid to medium sized businesses. Similarly, relationship between businesses must be developed to lead to « co-contracting ».

2. New specialisations should be supported

Competitiveness can be achieved through a transition in our production system towards a the development of products and early investment in the industrial sectors of the future.

3. R&D and innovation should be developed

The ESEC encourages the development of relations between public research bodies and businesses of all sizes. The strategic role the global competitiveness policy must be confirmed; links with regional development must be consolidated.

Furthermore, it would be beneficial to promote the constitution of European competitiveness clusters.