

## WHAT WOULD A LEFT-WING ECONOMIC POLICY BE TODAY?

*List of signatories to be found at the end of the contribution*

CONGRESS of VILLEURBANNE / ASSOCIATION NOVALLIA / THEMATIC CONTRIBUTION.

E. Macron claimed to go beyond notions of left and right, to conduct a policy of "at the same time," to install the FN and then the Unsubmissives as official opponents and, in a way, to make the SP and the UMP disappear.

But can one be at the same time, at the same time, for and against the abolition of the wealth tax, or at the same time, at the same time, for and against the Pénicaud ordinances, for example?

Has the left/right cleavage disappeared? Shouldn't the debate be clarified?

In economics, the evocation of liberalism constitutes a relevant introduction to the subject. First of all to distinguish on the one hand "societal" liberalism, in the Anglo-Saxon style, which liberates morals and ways of thinking, and on the other hand economic liberalism which is based on faith in the market economy, on the elimination of all obstacles to the free play of supply and demand.

Certainly the market economy has demonstrated its capacity to create wealth and its efficiency in regulating the functioning of the many actors in the economy.

But "natural" economic liberalism has several problematic effects: the encouragement of short-term individual profit over the long-term collective interest, the use without compensation of natural wealth leading to its depletion by "unsustainable" development mechanisms, a tendency towards the unlimited accumulation of capital, the inexorable deepening of social inequalities, or its inability to function without public services (education, security, health) that it does not naturally finance.

Of course everything can be privatized. All that is needed is a minimal State that draws up specifications and organizes competitive bidding.

But if we want to avoid the inconveniences and difficulties mentioned above, we have to go further and say in which society we want to live.

This is when the left-right divide reappears.

The left does not accept the deepening of inequalities. It does not accept that differences in social status are based on anything other than merit and the recognition of each person's aptitudes and abilities. In the confrontation between capital and labor, which structures the functioning of our economies, it is on the side of the workers. Of course it loves companies, the place where wealth is created, but it ensures that the rules that guarantee the general interest (labor law, health, sustainable development...) are respected and that the wealth produced is distributed fairly. It is committed to social and fiscal justice.

This is indeed where social liberalism and social democracy separate. Since socialism is not a state but a functionality, it is in the respect of these principles and references that in order to deal with each situation, not always foreseeable at the time of a presidential campaign, measures must be elaborated.

When G. Schroeder, in Germany, applies the Hartz laws supposedly to "modernize" the labor market, he accepts that the counterpart of the "decrease" in unemployment is a considerable increase in the number of poor and precarious workers, with a consequent increase in inequality and social exclusion.

When F. Hollande creates the CICE in 2012, he certainly supports companies established in France and facing international competition, but, by this general measure and without compensation, he also supports, with public money, companies that do not need it and those that use it to increase their profit and return on capital. A massive aid scheme for investment in modernization and innovation would probably have been more relevant.

In the previous period, while N. Sarkozy subsidized overtime, i.e., the hours that are already the most remunerative for the firm, with public credits borrowed on the financial markets for about 5.5 billion euros, Germany spent about the same amount to finance short-time working for a few years, thus enabling its firms to get through the crisis without disappearing while preparing for recovery.

In France, instead of meeting the demands of the MEDEF via the Macron/El Khomri laws and then the Pénicaud ordinances in the name of this famous flexibility which, allowing companies to lay off workers more easily via "social negotiation", would make the brakes on hiring (sic) come off (as if it were not the order book that triggered recruitment), it would have been better to emphasize the personal activity account (CPA) which can constitute a real instrument of conciliation between the accompaniment of the necessary economic mutations and the protection of the workers, there also "via social negotiation". And, to go further in this direction, social consultation and then legislative work should have dealt with the question of power in the company and the participation of workers in management decisions. The opportunity was missed, but is this surprising?

In reality, the right-wing orientation of E. Macron has been clear from the beginning and successive finance laws have come to concretize it to the point of caricature: suppression of subsidized jobs, reduction of the APL by invoking a quasi-market law that would mechanically reduce rents, suppression of the wealth tax to the tune of more than €3 billion, suppression of the housing tax, a tool (admittedly imperfect but perfectible) for financing local public services and the living environment, compensation by an increase in the CSG, a non-progressive tax thus diverted from its objective, etc.

Let us note in passing that the wealth tax revenue over one year, considered negligible by many commentators, would have made it possible to equip for access to very high speed internet (VHB) the major part of the territory outside metropolises, which is not covered by the competitive market of private companies. This is indeed a real missed opportunity to both develop the territory and create economic growth that would create jobs... and, at the same time (!), to fight against the feeling of abandonment perceived in certain territories, often rural, where the FN vote thrives.

Of course, public services and social protection have a cost, but they are the normal counterpart of taxes and contributions. Admittedly, even without the Covid-19 crisis, France's indebtedness is excessive and this situation will sooner or later have to be cleaned up, unless we accept the risk of economic suffocation, government impotence, or even loss of sovereignty. On the expenditure side, this will probably require a critical analysis of public services, which is always salutary, provided it is shared: what scope, what missions, what methods, what efficiency, what means? But in this area, the overall room for maneuver is now very limited, if not non-existent in budgetary terms. And it is well known, for example, that the transfer of health insurance to the private sector, in the American style, is leading to an increase in healthcare spending without any improvement in health. On the revenue side, the right answer lies in progressive (and not simply proportional) taxation: some of our fellow citizens, good for them, enjoy very high incomes and/or very comfortable pensions. Redistribution is both a tool for relaunching the economic machine, for reoxygenating public power, and for social justice. All the more so as the boosting effect on the economy would not fail to produce new resources for the taxpayers concerned.

With regard to the construction of Europe, the large market certainly exists, but it could function without supranational institutions, which is what the English would have liked.

In order to go further in the solidarity that is the source of prosperity and historically the guarantor of peace on our continent, we must move towards a social Europe and harmonize the rules on labor law and social protection, relying for this on the social partners organized at the European level. It is indeed a question of making European construction acceptable to European citizens (cf. Brexit, Eurosceptic votes...) by ceasing to put European workers in competition with each other. The issue of posted workers is at the heart of this problem: not to question the mobility enjoyed by the citizens of all countries, including the French, to respect the formula of equal treatment for all workers on the same territory, and to give ourselves the means to effectively enforce the rules.

It is also in doubt at the European level that the means and rules of social control over major investments must be strengthened and coordinated in order to guarantee their collective acceptance and respect for the imperatives of sustainable development.

Finally, to illustrate the point, on two recent developments in the context in which economic actors are moving:

- the constitution of large French regions and metropolises, combined with the global process of deregulation and the recentralization of powers, contributes to removing citizens from the places where decisions are made. This situation favors the short-circuiting of political power through technostructure. Territorial inequalities and imbalances can grow more easily and public services can be dangerously reduced.
- the development of digital technology in all sectors of the economy: this changes the way things are done, makes processes more flexible and opens up the field of possibilities. However, the fundamentals of the "capital/labour" and "producer/consumer" relationships do not change. They are simply exercised in a different and adapted way. We saw it, in its time, in the VTC dossier: claiming that workers connected to a platform, which gives orders and prescribes rules for remuneration or the modalities of exercise, would be "independent" is a sham. It was, moreover, by organizing themselves collectively and

engaging in collective bargaining under the watchful eye of the government that they established a balance of power with the platforms and obtained certain initial advances.

In economic matters, it is notably on the basis of the elements presented above that the debate can develop, in order to identify points of convergence and bring together the Left of government, to prepare the future and regain the confidence of our fellow citizens.