

## **FRENCH-AMERICAN COMPETITIVENESS SYMPOSIUM**

**FRIDAY • JUNE 28, 2013**

The purpose of the French-American Competitiveness Symposium is twofold:

- First, to debate with expert participants the sources of competitiveness and how policy can be used to increase competitiveness in France and the United States in particular, the conclusions of that debate to be presented in a report that will include policy recommendations for both countries;
- Second, to examine key policy themes related to competitiveness and pave the way for continuation projects on those specific topics.

### **Friday, June 28**

**Location: Baker & McKenzie offices, 815 Connecticut Ave., NW, 12th Floor, Washington, DC**

**8:30 a.m. REGISTRATION AND BUFFET BREAKFAST**

**9:00 a.m. WELCOMING REMARKS**

**9:15 a.m. WHAT ARE THE SOURCES OF FRENCH AND AMERICAN COMPETITIVENESS?**

This session aims to identify how and why French and US competitiveness are different. Both countries remain highly competitive despite their decline in rankings by the World Economic Forum and elsewhere. Formulating recommendations to reverse their competitive decline therefore requires understanding the sources of their past success. What are the competitive strengths and weaknesses of each today and how did they develop? Why have certain cutting-edge industries flourished in France and not in the United States (environment, nuclear) and vice versa (information technology, media)? What lessons can be drawn from each country's experience regarding best practices and reciprocal opportunities for each other to enhance competitiveness in the future?

**10:30 a.m. COFFEE BREAK**

**10:45 a.m. WHERE DO POLICIES IN SUPPORT OF COMPETITIVENESS ORIGINATE?**

This session will focus on the formation of policies that can encourage increased competitiveness, taking into account that competitiveness is founded both on policy decisions in the public sector and strategy decisions in the private sector. What are the sources of policy in France and the United States and how can they influence competitiveness? Which sources specifically need to be tapped to reverse decline? What are the achievements and failures of public-private partnerships in both countries? In the

United States, how effective have states or municipalities been in creating or influencing national policy? How do municipalities and regions in France act as sources of policy? What role do civil society organizations and the media play in policies related to promoting competitiveness? Do Americans give too much credit to the ability of the private sector to reverse declines and repair competitive shortcomings? Do the French put too much faith in the state and public institutions and underestimate the importance of private-sector initiative as a source of competitiveness policy?

**12:00 p.m. LUNCH BREAK**

**12:15 p.m. LUNCH DISCUSSION: IS COMPETITIVENESS REALLY A NATIONAL PROBLEM?**

This discussion will address whether it is appropriate to classify competitiveness as a national issue in the context of a global economy where the biggest multinational corporations are larger than many nation-states. Would it make more sense to consider competitiveness across industries or trans-national socio-economic groups? On the other hand, even though globalization has internationalized culture and companies, there exist few global forums for policy formulation. Is there an alternative to promoting competitiveness at the national level? Is it an accident that some of the biggest winners from globalization are some of the smallest and most competitive countries like Switzerland and Singapore — unencumbered by the burdens of the bigger and harder-to-stir France (and the European Union) and the United States? In order to restore French and United States competitiveness, what is the right balance between local, national and global?

**1:30 p.m. GROUP DISCUSSION: INTRODUCTION OF BREAKOUT TOPICS**

**2:00 p.m. BREAK-OUT DISCUSSIONS**

**1. ENTREPRENEURSHIP, INNOVATION, AND BUSINESS CREATION (Room #1)**

Is entrepreneurship a myth or reality and does it actually drive innovation and competitiveness? France often voices regret at not possessing either the Silicon Valley entrepreneurship model or the German *Mittelstand* paradigm. Yet innovation does flourish inside major French multinational companies. The United States takes pride in its entrepreneurial culture and the contribution of small business to the economy, but to what extent do SMEs contribute to competitiveness? Is the US entrepreneurship model built on the image of a handful of success stories and does the French model fail to recognize its achievements in large corporate structures? To what extent does entrepreneurialism, especially in information technology, drive innovation and competitiveness and to what extent is it merely a convenience or a diversion (on-line retailing, social networks)? Is a sole proprietor necessarily an “entrepreneur”—and was not the French “auto-entrepreneur” enthusiasm driven by unemployment and tax advantages? Are not entrepreneurs actually few and far between, in both countries (and elsewhere)? What are the genuine sources of competitiveness within the entrepreneurial process, including venture capital and financial markets? Is entrepreneurialism a real contributor to competitiveness? If so, what are the policy frameworks that would boost competitiveness via entrepreneurialism in both France and the United States?

**2. PUBLIC-PRIVATE PARTNERSHIP IN HIGHER EDUCATION, SCIENCE, ENGINEERING, AND RESEARCH (Room #2)**

Private philanthropy has been the source of most of the wealth and success of universities and post-graduate education in the United States, and France has offered “autonomy” (including for fund-raising) to its universities. In the United States, government research, either through grants or through collaboration, often underpins

some of the major achievements of private research universities and other institutions. France has long emphasized the link between research and higher education, even having a cabinet minister devoted to that topic. Yet France produces few Nobel and other prize winners while the United States continues to foster them. In both countries, corporate R&D has been a source of patents and innovation. But also in both countries, especially in the United States, the lament is that they are under-investing in science, technology, engineering, and mathematics (“STEM”). To what extent do collaborative public and private investment in higher education, R&D, technology, science and engineering affect competitiveness? Is it necessary that so much civilian research should be derived from defense? Do primary theoretical research and science actually affect productivity, innovation, and competitiveness? What are the steps needed to enhance the role of science and science education to achieve adequate competitiveness tomorrow? What is the role of corporate, government and university cooperation in France and the United States in fostering competitiveness? What can the two countries share in terms of practices and experience?

### **3. LONG-TERM INVESTMENT IN ENERGY, WATER, AND ENVIRONMENTAL SERVICES, NATIONAL INFRASTRUCTURE (Room #3)**

France leads the world in the quality of its infrastructure—nuclear power, water management, high-speed trains—and the country has been termed a “smart logistics platform.” In the United States, the refrain is constantly heard that infrastructure is crumbling and that new forms of infrastructure—high-speed rail for example—simply may never see the light of day (while China builds apace). In addition, the United States has been fortunate or opportunistic in exploiting fossil fuel alternatives such as fracking, which is illegal in France. Water supplies, long organized in France around the main river basins, are dependent in the United States mainly on rainfall and local management. To what extent does high-quality infrastructure guarantee or increase competitiveness? Are the effects purely domestic in nature or do they have an impact on international trade and investment? Does possessing leading infrastructure/engineering companies headquartered in France or the United States make the countries themselves more competitive? Must both countries now resign themselves to living off the infrastructure of the past? What is the value of a national plan? What lessons can the decentralized United States learn from the highly cohesive French example, and vice versa, particularly in how infrastructure investment affects competitiveness? Looking ahead to a 21st century in which energy, environmental and infrastructure concerns will loom large, what are the links that can be made between future long-term investment and future competitiveness?

3:45 p.m.

#### **COFFEE BREAK**

4:00 p.m.

#### **BREAK-OUT GROUPS PRESENT REPORTS**

Break-out group chairs will deliver ten-minute presentations on their group’s discussions.

5:15 p.m.

#### **CONCLUSIONS, NEXT STEPS, CLOSING REMARKS**

6:00 p.m.

#### **END OF SYMPOSIUM**

6:30 p.m.

#### **DINNER WITH SYMPOSIUM PARTICIPANTS**

Hosted by H.E. François Delattre, Ambassador of France to the United States

**6:30 p.m. reception; 7:00 p.m. dinner**

Location: Residence of the Ambassador, 2509 Foxhall Road, NW