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PARTICIPATORY CAPITALISM FOR A REAL RECOVERY AMONG POST-COVID-19 ECONOMIES

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As the COVID-19 health crisis has reminded us, a few highly concentrated firms dominate global production. For two decades, this trend has been accentuated to the detriment of an efficient allocation of resources. Both productive capital (and therefore investments) as well as labor and the people who carry out the labor are deprived of the gains from growth.

Economics teaches us that the stronger the competition, the more profits are controlled and the greater the welfare of consumers. However, in reality, it is always in a firm's interest to adopt anticompetitive strategies meant to put up barriers to entry into their markets against other firms in order to benefit from monopoly rents. Clearly, the evolution of large firms and their market power does not serve general interest but accentuates inequalities and slows down the establishment of more prosperous and distributive growth regimes. The inability of the major economies of this world to "manage" globalization has served the economic development of these powerful firms to the detriment of what Joseph Stiglitz calls the "real wealth of nations", which is based on innovation, creativity and productive interactions among people.

It is clear that large modern firms are freeing themselves from traditional anti-trust regulations, even if in Europe (unlike the United States), the European Commission has become increasingly vigilant against abuse of a dominant position, as evidenced by the ongoing investigation of the European Commission against the algorithmic power of Amazon and its impact on competition. This is because it is true that with intellectual property systems that allow aggressive patenting strategies (as evidenced by the pharmaceutical sector) and the possibilities for tax evasion (as abused by GAFAM), very large firms have new ways to consolidate their economic immensity within their reach. This is why it is important for competition authorities and their associated states to broaden the spectrum of public action in terms of regulation in order to fight against the socially inefficient (because nonredistributive) use of market power and excessive mergers and acquisitions.

It is neither utopian nor ideological to think that now—before the opportunity escapes us—is the time to lay the foundations of a renewed capitalism, which would preserve capitalism from itself and which would give historical meaning to post-COVID-19 recovery plans on an international scale. It is time to put the economy at the service of solidarity during a period in history that , once again, will result in more losers than winners and will risk committing future generations to massive national debt. In such a context, the fruits of growth resulting from the recovery and the fiscal policy that accompany such growth must be redistributive.

The equation is certainly not easy to solve because the risks of overheating economies are real, but not inevitable, as is the threat of worsening the crisis in real economies by a financial crash. The billions of euros invested by major nations must therefore be accompanied by ambitious economic policies capable of bringing about the emergence of a participatory capitalism in the service of a real recovery—a long-term recovery that is also social and environmental—of the world's economies.

Consequently, large firms, especially those that have had increased profits during the health crisis, will have to contribute fiscally to the sustainable recovery of economies through exceptional taxation.

The prosperity of our economies and a new-found well-being for people can be achieved only if what Galbraith called "countervailing powers" can be rapidly developed. Such powers can only be achieved through increased worker participation in the governance of large firms.

Therefore, post-COVID-19 economic policies will have to be designed with the objective of institutionally redistributing power in business. How? By improving the quality of social dialogue and increasing worker participation in collective bargaining but also by strengthening employee representation in firms' decision-making bodies. At least one-third of directors on the board of directors of large firms should represent employees. Giving this compensatory power to employees is an effective way to better use these monopoly rents collectively and, more generally, to bring about a more participatory capitalism that is capable of increasing the transparency of the management and governance of firms and of better integrating environmental responsibilities into their productive ecosystems. We have just seen through the Danone case in France that even in large firms that are pioneers in this area of global corporate responsibility, the decision-making role and therefore the compensatory power of employees is currently insufficient for their voice to count, to the detriment of general welfare.