



DROIT ET CROISSANCE

RULES FOR GROWTH

BETTER LAWS MORE GROWTH





# PROMOTING LAW AND ECONOMICS RESEARCH IN FRANCE AND EUROPE

**Droit & Croissance** (Rules for Growth) is a non-partisan independent Think Tank created in 2012 by a group of economics and legal academics, business lawyers, and researchers who believe that the law can be a powerful engine for economic growth and that the walls separating French academic research in law and in economics, as well as the lack of involvement by practitioners is directly responsible for the poor quality of the French legislative process and the unsuitability of French business law to foster economic growth.

**Droit & Croissance** was born out of their intention to collaborate for the first time and start breaking these walls.

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Thanks to a multidisciplinary team of 60 economists, lawyers, jurists, researchers, and doctoral students, **Droit & Croissance** now operates in seven main areas of research:

- Business Restructurings / Bankruptcy Regulation
- Financial Markets
- Corporate Governance
- SMEs and innovation
- «Smart Regulation» and Institutions
- Bank Resolutions
- Competition and Antitrust

# WHAT IS LAW AND ECONOMICS?

The law and economics approach to the analysis of the law starts with the assumptions, shared by economics, that individuals behave as rational agents and that their behavior is largely influenced by legal incentives.

This approach focuses on analyzing the efficiency of the norm, that is, how well the norm reaches its intended behavioral target. The main contribution of this discipline is seeking to modify behaviors in order to contribute to the highest societal good at the lowest possible cost.

To reach this goal, law and economics researchers use mathematical models from economics, such as empirical studies, statistics, data modeling or game theory, to study the influence of the norm on human behavior and interaction.



## OUR MISSION

- CREATING A CENTRE OF EXCELLENCE FOR A LAW AND ECONOMICS ANALYSIS OF THE LAW

**Droit & Croissance** has built a centre of excellence to foster research that applies law and economics to the analysis of the law. We identify important inefficiencies in French and EU law, and finance the publication of world-class articles in professional or academic publications, as well as opinion pieces in the media.

- INFLUENCING POLICYMAKERS

**Droit & Croissance** offers support, data, and research to educate policymakers on economic efficiency at all stages of the legislative process. **Droit & Croissance** provides realistic and actionable recommendations in all its research, responds to public consultations for upcoming legislation, and openly lobbies policymakers in governments, global institutions, think tanks, and regulators.

- APPLYING A LAW AND ECONOMICS ANALYSIS IN A SYSTEMATIC AND HOLISTIC APPROACH TO FRENCH LAW

The French legal system is often ill-equipped to deal with the developments of modern economics and finance. **Droit & Croissance** calls for the systematic use of law and economics to analyze new laws throughout the legislative process and provides a forum for the dialogue between its researchers and legislators in the French Government, the French National Assembly, the French Senate, the EU Commission, EU Institutions, and other stakeholders such as business or professional groups.

# A TEAM DEDICATED TO PUBLIC SERVICE

## EXECUTIVE COMMITTEE

Our Executive Committee is responsible for setting broad strategic directions, for setting our research policy and for organizing our fundraising. The Executive Committee meets three times per year.

Sophie Vermeille	Chair, lawyer, researcher at the Economics of the Law Laboratory at the University of Paris, Paris 2 Panthéon Assas, Lecturer at the HEC business school
Thomas Philippon	Vice-President, Professor of Finance at the Stern School of Business, New York University
Yann Coatanlem	Managing Director, Citigroup
Jacques Delpla	Professor of Economics associated with the Toulouse School of Economics
Benjamin Frémaux	Managing director, Messier Maris Associés
Frank Gentin	Entrepreneur, Honorary President of the Commercial Court of Paris
Isabelle Roux-Chenu	Head of Group Commercial & Contract Management, Senior Advisor to the Group Chairman & CEO, Cap Gemini
Emmanuelle Mignon	Lawyer, Partner at August & Debouzy
Ludovic Subran	Global head of macroeconomic research at Allianz and chief economist of Euler Hermes Group
Delphine D'Amarzit	Deputy Managing director of Orange Bank
Bernard Desolneux	General Manager
Mathieu Luinaud	Secretary General

## STEERING COMMITTEE

The Steering Committee is responsible for submitting proposals for our research projects. Some of its members are directly involved in the research work conducted by **Droit & Croissance**. The Executive Committee convenes annually.

William Azan	Lawyer, specialist in energy law
Alain Bloch	Director of HEC Entrepreneurs co-founder of HEC Family Business
Thomas Bourveau	Assistant Professor at School of Business and Management of Hong Kong University of Science and Technology
Luca Enriques	Professor at the Faculty of Law, University of Oxford
Olivier Fréget	Lawyer, partner at Freget-Tasso de Panafieu
Aurelio Gurrea-Martinez	Researcher in the Corporate Governance program of Harvard University
Olivier Jouffroy	Lawyer, counsel at Clifford Chance Paris
Augustin Landier	Professor of Economics at the Toulouse School of Economics
Olivier Lecomte	Professor of Finance at the Ecole Centrale Paris
Ejan Mackaay	Professor of Law at the University of Montreal
Anne Perrot	Economist, Partner at MAPP, professor at Paris School of Economics, at the Brussels School of Competition and at Sciences-Po Paris
Alain Pietrancosta	Professor of Law at the University of Paris (Sorbonne)
Guillaume Sarlat	Business strategy consultant, Sarlat consultancy firm
Thibault Schrepel	Lawyer at PwC, holds a PhD in law
Felix Steffek	Lecturer at the Faculty of Law of the University of Cambridge and Senior member of the Newham College of Cambridge
Adrien Tenne	Senior official at a central bank of the Eurosystem
Florence Thépot	Professor at the University of Glasgow
Philippe Tibi	Professor of Finance at the Ecole Polytechnique and at Sciences Po and manager of the "Pergamon Campus"
Hubert de Vauplane	Lawyer, specialist in capital markets and financial regulation
Marco Ventrone	Professor at the Bocconi University of Milano and Professor at the University of Pennsylvania Law School

## PERMANENT TEAM

Our team of volunteers is very diverse and open to students, practitioners, and academics from all walks of life in the law, economics, and finance fields.

### MEMBERS

#### Researchers :

More than a dozen researchers and fifteen professionals in law and finance ;

#### Management :

A management team of volunteers organizes and leads our research projects, publications, as well as several major conferences and events each year.





## EXAMPLES OF OUR WORK

- **CONSULTATION ON THE BANK RESOLUTION PROVISIONS OF THE DRAFT BANKING BILL**

During the drafting of the 2012 law separating and regulating banking activities, the Office of the Ministry of Finance in charge of the reform of the banking resolution mechanisms consulted **Droit & Croissance** for its expertise on banking resolution for failed banks.

Thomas Philippon and Aude Salord made proposals to improve the existing legal framework, especially the bail-in system the purpose of which is to force creditors and shareholders of an ailing financial institution to absorb the losses before any public intervention. The paper criticizes the progress in the European Banking Union, both on the supervision and the resolution components, by taking as a point of comparison the US banking regulations.

- **SMART REGULATION**

In early 2016, the Smart Regulation Group published a paper «French Institutions, Innovation, and Growth», in partnership with the Fondapol.

This note aims to highlight the need to have in France a normative framework better adapted to the new economy: the next wave of innovation, as well as the challenge of competitiveness and productivity will require new rules and the adaptation of pre-existing ones.

This note has been translated in English and published in the Oxford Business Law Blog website under the title «French Institutions, Innovation, and Growth».

In September 2017, a note extending these developments and emphasizing the legal tools available to public authorities or in need of

development was issued in order to include the latest advances in behavioral and experimental economics and in order to encourage the creation of norms more adapted – and better adaptable – to the challenges of the 21st century economy.

- **CONSULTATION DURING THE INSOLVENCY  
LAW REFORM**

During the drafting of a new insolvency law, the Ministry of Justice, the Ministry of Finance and the Economy, and the Council of Economic Advisors consulted **Droit & Croissance** for its expertise in insolvency law.

**Droit & Croissance** published several studies highlighting the link between the overleveraged debt of corporations and their inability to invest in new value-creating projects, calling for an ambitious reform of insolvency law.

Recognized for its expertise in bankruptcy law, **Droit & Croissance** spoke, in July 2016, at the European Commission during a conference on the harmonization of insolvency regimes within the European Union and, in December 2016, at the European Central Bank.

**Droit & Croissance** is actively engaged in ongoing discussions to harmonize bankruptcy law in Europe.

**Droit & Croissance** has regular exchanges on this subject with both European institutions (European Commission and the European Parliament) and French institutions (Minister of Justice, Minister of the Economy, Prime Minister's Office, and the Presidency).

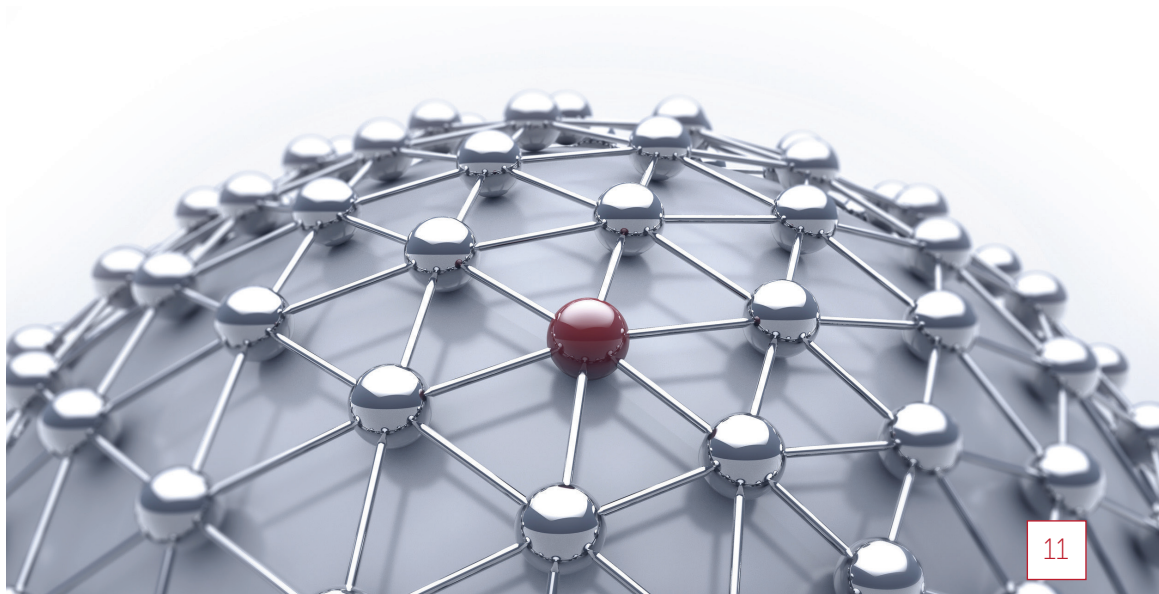
The proposals made by the European Commission on November 22, 2016 are in line with the recommendations made by **Droit & Croissance** in recent years and call for a profound change in the approach to bankruptcy law in France.

- CONSULTATION ON THE ACTION PLAN TO MAKE THE LIFE OF FRENCH BUSINESSES SIMPLER AND MORE SECURE

Droit & Croissance was consulted at the request of the General Secretariat for the Modernization of Public Intervention during the development of the action plan to make the life of businesses simpler and more secure.

- CORPORATE GOVERNANCE AND FINANCIAL MARKETS

Droit & Croissance regularly discusses with French and European authorities on the issues of investors' rights and is currently preparing a number of recommendations.



# ONGOING RESEARCH PROJECTS

In 2017, **Droit & Croissance** engaged in research on the following topics:

- The conditions for intervention of the State as shareholder and the state aid regime;
- The restructuring of sovereign debt;
- Minority shareholder rights in listed companies;
- Accounting standards and non-performing loans;
- The limits of the bank resolution mechanisms;
- The Capital Markets Union;
- Competition Law and transfer prices;
- Competition Law and the digital economy;
- Competition Law and the energy sector;
- Studying the impact of “smart regulation” instruments (in collaboration with Fondapol).

In addition, **Droit & Croissance** and the French government’s agency for prospective analysis (France Stratégie) will collaborate to produce econometric data and studies to assess the consequences of French bankruptcy law on the French economy.

# A TRANSPARENT AND RELIABLE PARTNER

**Droit & Croissance** is a research institute supported by the contributions of a variety of partners, individual donors, law firms, corporations, foundations, financial institutions, research institutes, universities and French *Grandes Écoles*.

All these actors of the French economy and legal environment have a role in the research and public debate: to improve the effectiveness of French and European public policies.

**Droit & Croissance** is grateful for their trust and generous support, which guarantees its independence.

**Droit & Croissance** is committed to the highest ethical standards and a transparent management.

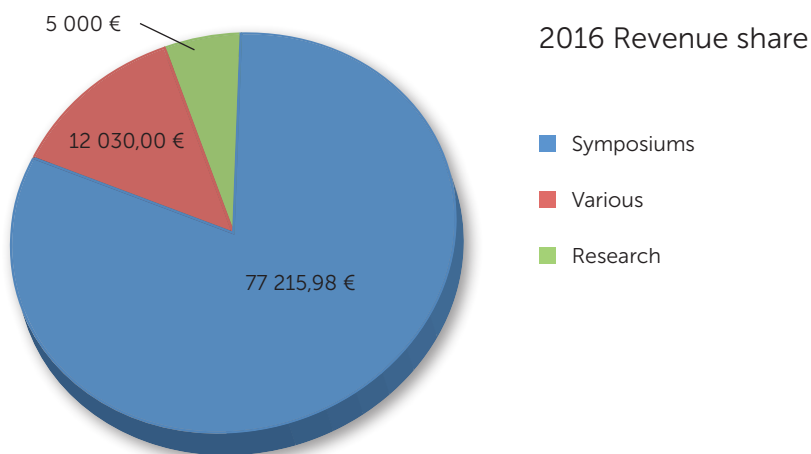
Our financial statements are published every year.

## • FINANCIAL STATEMENT AS OF DECEMBER 31, 2016

On December 31, 2016, the financial position of **Droit & Croissance** shows a credit balance of € 9,658.76. Our fundraising amounted to € 94,245.98 for €127,080.78 of expenses in 2016.

In 2016, **Droit & Croissance**'s revenues amounted to € 94,245.98, broken down as follows:

- € 77,215.98 collected thanks to the sponsorship of our restructuring conference, representing approximately 82% of total revenues, compared to 71% in 2015;
- € 12,030 collected in donations and contributions;
- € 5,000 collected thanks to publications requests. This item of revenue increased from € 4 118 last year. This confirms the seriousness of **Droit & Croissance**'s work and its growing reputation for expertise.



The expenses mainly concern:

- The organization of conferences around subjects promoted by the institute;
- The remuneration of authors of articles published by **Droit & Croissance**;
- Travel expenses incurred during conferences given by its members;
- Translation of articles.

These items are indispensable to increase the awareness, visibility, and legitimacy of **Droit & Croissance**, both in France and abroad. They also contribute to expanding our network of researchers.

## • OUTLOOK FOR 2017

**Droit & Croissance** wishes to continue strengthening its research activities, by increasing the remuneration of those authors who do not have significant additional income.

This year, **Droit & Croissance** intends to publish in more varied fields, in addition to its core framework of expertise in corporate law. **Droit & Croissance** will focus on the following themes:

- Corporate governance and minority rights; the existing legal framework must change in order to encourage a wider distribution of the capital of companies, allowing for an increase in liquidity;
- Sovereign debt restructuring, based on corporate bond debt restructuring lessons;
- Bank resolution mechanisms; the aim is to propose changes to the European legal framework;
- Competition and the digital era; the digital economy brings changes that will disrupt competition law as we know it today.

**Droit & Croissance** also wishes to further increase its influence on public authorities and hopes to change its management committee in this respect.

## BECOME A PARTNER

We offer a forum for public and private partners wishing to make a special, concrete, and coherent contribution to our mission and help France launch the broad conceptual reforms that will bring the country back on track with economic growth.

Becoming a Partner means:

- Promoting an efficient economic law;
- Organizing and participating in events (conferences, dinners etc.) with distinguished speakers;
- Accessing quality legal education on substantive discussions, including via our newsletter;
- Taking advantage of our internal training sessions;
- Exchanging within our rich and diverse network of young, talented graduates, as well as experienced professionals in a variety of areas and government offices.





# SUPPORT DROIT & CROISSANCE / RULES FOR GROWTH

To strengthen our independence, consolidate our influence, and achieve our mission of fostering economic growth in France, Droit & Croissance needs corporate and individual benefactors.

Droit & Croissance regularly invites our donors to participate in its events and to broaden its intellectual reach through the ever-wider dissemination of its publications.

- You are a company, association or organization:

Corporate Partners subject to income or corporate tax are generally eligible to a tax deduction of 60% of their donation (capped at 5 % (five per thousand) of their annual tax-free sales). A tax receipt will be issued by the Institute.

In the case of a donation of € 10 000, a tax cut of € 6 000 is possible, for a final cost after tax cut of € 4 000 to your company.

- You are an individual donor:

Your gift is illegible to a 66% income tax deduction (up to 20% of your taxable income). A tax receipt will be issued by the Institute.

In the case of a donation of € 1,000, a tax cut of € 660 is possible, for a final cost after tax cut of € 340.

- We accept three forms of payment:

**By check:** Please send your contact information along with a check (in Euros) addressed to:

« Droit & Croissance »,  
C/o Institut Louis Bachelier,  
28 place de la Bourse,  
75002 Paris, France.

**By bank transfer:** CIC PARIS MARCEAU/  
IBAN: FR7630066104810002015020178 - BIC: CMCIFRPP

**By secure online payment:** directly on our website:  
[www.droitetcroissance.fr /partenaires/devenir-partenaire-2/](http://www.droitetcroissance.fr/partenaires/devenir-partenaire-2/)».



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## OUR PARTNERS

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