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WORLD-LEADING EXPERTS CALL FOR URGENT ACTION AGAINST RISING POPULAR DISTRUST

In a joint appeal, more than 50 renowned academics are calling for a new, cause-oriented economic policy. Governments should counter the loss of confidence in liberal democracies with an active industrial policy, a reduction in inequality and better-managed globalization.

Berlin/Nauen, 29 May 2024 In view of the wave of distrust towards liberal democracies, leading scientists worldwide have called for a new policy outlook in Berlin: "To avert major damages to humanity and the planet, we must urgently get to the root causes of people's resentment", the appeal published by the Forum New Economy states on the occasion of the Berlin Summit "Winning back the People".

According to the joint appeal, governments should urgently ensure that the perceived or actual loss of control is countered. To this end, the experts recommend, among other things, ensuring that new companies are attracted and jobs secured earlier in crises, that wealth and income inequality is reduced and that globalization is improved.

Supporters include renowned experts such as Harvard professor Dani Rodrik, Mariana Mazzucato from University College London, Columbia economist Adam Tooze, New York inequality expert Branko Milanovic, Thomas Piketty, former IMF chief economist Olivier Blanchard, Jens Südekum from Heinrich Heine University in Düsseldorf, Isabella Weber from the University of Amherst in Massachusetts and sustainability expert Maja Göpel.

Populists are threatening to experience a new upswing nearly everywhere in the global super election year of 2024. What is making so many citizens so dissatisfied, what can help to win them back and restore their trust in democracy, is what around 80 experts have been discussing since Monday at the three-day summit of the Forum New Economy in and around Berlin.

"This sense of powerlessness has been triggered by shocks stemming from globalization and technological shifts, now amplified by climate change, AI and the inflation shock", the appeal asserts. "Decades of poorly managed globalization, overconfidence in the self-regulation of markets and austerity have hollowed out the ability of governments to respond to such crises effectively."

What is needed now is a new political consensus that addresses the deep drivers of people's distrust instead of merely focusing on the symptoms, or falling into the trap of populists who pretend to have simple answers.

As the danger of armed conflicts has increased around the world, liberal democracies must once again demonstrate their ability to both defend their values and defuse direct hostilities, the appeal states. Any attempt to put citizens and their governments back in charge has the potential not only to promote the well-being of many people. It will also help to restore

confidence in the ability of our societies to resolve crises and secure a better future. "We need an agenda for the people to win back the people."

Dani Rodrik, Branko Milanovic, Mariana Mazzucato, Adam Tooze, Laura Tyson, Thomas Piketty, Gabriel Zucman, Jens Südekum, Isabella Weber, Olivier Blanchard, Mark Blyth, Catherine Fieschi, Xavier Ragot, Jean Pisani-Ferry, Barry Eichengreen, Laurence Tubiana, Pascal Lamy, Maja Göpel und Stormy-Annika Mildner.

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