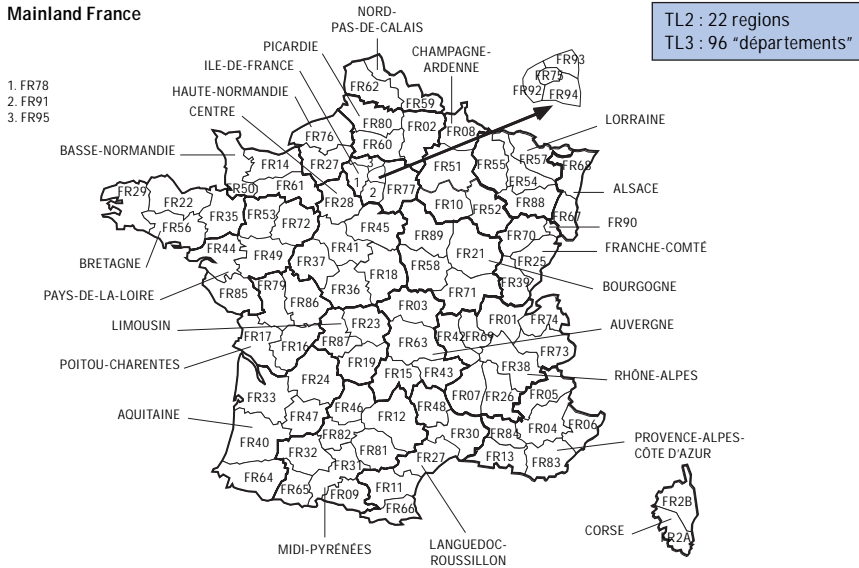


Chapter 1

Trends and Challenges in the Territories

Map 1.1. French regions at territorial level 2 and 3

Mainland France



| Territorial levels 2 and 3 | | |
|---|---|--|
| FR10 – ILE-DE-FRANCE FR75 – Paris FR77 – Seine-et-Marne FR78 – Yvelines FR91 – Essonne FR92 – Hauts-de-Seine FR93 – Seine-Saint-Denis FR94 – Val-de-Marne FR95 – Val-d’Oise | FR41 – LORRAINE FR54 – Meurthe-et-Moselle FR55 – Meuse FR57 – Moselle FR88 – Vosges | FR46 – Lot FR65 – Hautes-Pyrénées FR81 – Tarn FR82 – Tarn-et-Garonne |
| FR21 – CHAMPAGNE-ARDENNE FR08 – Ardennes FR10 – Aube FR51 – Marne FR52 – Haute-Marne | FR42 – ALSACE FR67 – Bas-Rhin FR68 – Haut-Rhin | FR63 – LIMOUSIN FR19 – Corrèze FR23 – Creuse FR87 – Haute-Vienne |
| FR22 – PICARDIE FR02 – Aisne FR60 – Oise FR80 – Somme | FR43 – FRANCHE-COMTÉ FR25 – Doubs FR39 – Jura FR70 – Haute-Saône FR90 – Territoire de Belfort | FR71 – RHÔNES-ALPES FR01 – Ain FR07 – Ardèche FR26 – Drôme FR38 – Isère FR42 – Loire FR73 – Savoie FR74 – Haute-Savoie |
| FR23 – HAUTE-NORMANDIE FR27 – Eure FR76 – Seine-Maritime | FR51 – PAYS-DE-LA-LOIRE FR44 – Loire-Atlantique FR49 – Maine-et-Loire FR53 – Mayenne FR72 – Sarthe FR85 – Vendée | FR72 – AUVERGNE FR03 – Allier FR15 – Cantal FR43 – Haute-Loire FR63 – Puy-de-Dôme |
| FR24 – CENTRE FR18 – Cher FR28 – Eure-et-Loir FR36 – Indre FR37 – Indre-et-Loire FR41 – Loir-et-Cher FR45 – Loir-et | FR52 – BRETAGNE FR22 – Côte-d’Armor FR29 – Finistère FR35 – Ile-et-Vilaine FR56 – Morbihan | FR81 – LANGUEDOC-ROUSSILLON FR11 – Aude FR30 – Gard FR34 – Hérault FR48 – Lozère FR66 – Pyrénées-Orientales |
| FR25 – BASSE-NORMANDIE FR14 – Calvados FR50 – Manche FR61 – Orne | FR53 – POITOU-CHARENTES FR16 – Charente FR17 – Charente-Maritime FR79 – Deux-Sèvres FR86 – Vienne | FR82 – PROVENCE-ALPES-CÔTE D’AZUR FR04 – Alpes-de-Haute-Provence FR05 – Hautes-Alpes FR06 – Alpes-Maritimes FR13 – Bouches-du-Rhône FR83 – Var FR84 – Vaucluse |
| FR26 – BOURGOGNE FR21 – Côte-d’Or FR58 – Nièvre FR71 – Saône-et-Loire FR89 – Yonne | FR61 – AQUITAINE FR24 – Dordogne FR33 – Gironde FR40 – Landes FR47 – Lot-et-Garonne FR64 – Pyrénées-Atlantique | FR83 – CORSE FR2A – Corse-du-Sud FR2B – Haute-Corse |
| FR30 – NORD-PAS-DE-CALAIS FR59 – Nord FR62 – Pas-de-Calais | FR62 – MIDI-PYRÉNÉES FR09 – Ariège FR12 – Aveyron FR31 – Haute-Garonne FR32 – Gers | |

Source: OECD-TDS.

1.1. Introduction

France has a singular spatial and economic profile characterised by a dominant capital region, active peripheral regions and an intermediate zone where growth is slower and the population density relatively low. This situation is not static, however. In economic and demographic terms, for example, significant trends have been apparent for at least the past ten years, namely: higher growth rates in regions and cities other than Paris, improvements in rural areas, rising residential growth dynamics.

While these trends make it possible to promote a more balanced form of spatial development, make better use of land and increase the scope for exploiting development opportunities in the regions, regional growth dynamics continue to contend with obstacles of a structural nature. Unemployment has remained high throughout the country for several decades, and the structure of the labour market is marked by low rates of employment for young people and the oldest category of workers. There is therefore significant under-used potential in the territories and commitment to innovative sectors is often held back by rigid employment markets. Many regions have therefore primarily opted to specialise in mature sectors where industrial relations are stable, investment in information technology is limited and growth in productivity is relatively slow.

The trajectories of the regions also depend upon their own particular comparative advantages and weaknesses. Against the current background of open borders these factors are becoming more critical. As a result, the performance of many regions and territories in terms of enterprise creation, investment in R&D or cluster expansion is either average or poor. Apart from the structural policies that have been implemented, reducing these barriers to growth and regional competitiveness is one of the main challenges the government now faces. Policies implemented to remedy these difficulties exhibit a strong regional and often local dimension. The new approach takes into consideration the trends towards a greater diversity of subregional territories that tend to amplify in the last period.

1.2. Regional characteristics and trends

Redeployment towards regions in the South and West

“Paris and the French desert” was how the French geographer Jean-François Gravier tersely described the territory of France in 1947.¹ Almost 60 years after this phenomenon was first identified, and 40 or so years after the elevation of eight major provincial cities (Toulouse, Lille, Nancy, Strasbourg, Lyon, Nantes, Bordeaux and Marseille) to the rank of “counter-weight metropolitan areas”, the supremacy of the capital over the rest of the country still remains marked. Ile-de-France – the region where the capital is

located – still remains the largest conglomeration by far in the country, accounting for 28% of GDP and no less than 44% of total R&D expenditure.² Furthermore, it is still the top-ranked European region in terms of GDP and population ahead of Lombardy and Greater London, and the third-ranked region in terms of GDP per capita behind Bavaria and Greater London.

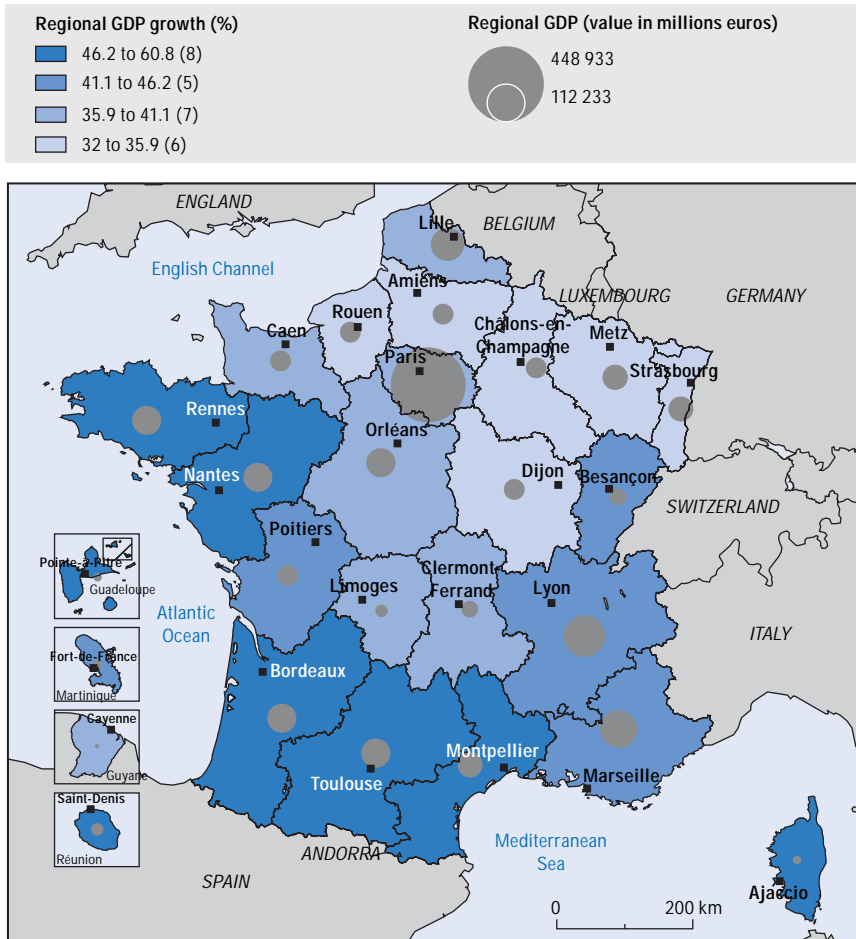
However, even though the Ile-de-France continues to play a predominant role both within the country and at the European level, the past few years have seen a process of redeployment towards other regions, notably in the West and South of France. This observation holds true for both the population and the labour market. Several major cities, the drivers of growth in these dynamic regions, are experiencing faster growth in the employment market than Paris and are gaining a significant weight in the economic development of the country.

Between 1990 and 2001, GDP growth rates were higher in Paris than in the peripheral regions to the south and the west – Pays-de-la-Loire, Brittany, Languedoc-Roussillon, Aquitaine, Midi-Pyrénées (Provence-Alpes-Côte d'Azur) and Corsica. Map 1.2 illustrates the net trend in these regions in terms of GDP and job creation, “thereby attenuating the traditional East-West divides in the productive geography of France” (DATAR, 2005). For example, it is worth noting the growth in the contribution of Languedoc-Roussillon to national GDP, thereby propelling the region from 14th to 11th place and raising Midi-Pyrénées from 10th to 8th place.

The fact that growth remains higher in most of the regions that border neighbouring countries suggests that the process of European integration and globalisation currently under way, together with the dynamic growth in housing markets in these regions, are two parameters which may well influence the growth dynamics. It would seem that the most readily accessible regions are currently exploiting their favourable geographical position and that this is a major asset for these prosperous regions. For example, the ability to attract foreign direct investment (FDI), which may be seen as an indicator of the relative competitiveness of regions within the same country, shows that the peripheral border regions, as well as the capital, are those that are most attractive to foreign investors.³

In terms of population, the regions reporting the highest growth rates have primarily achieved this as a result of a positive migration balance, both during the period 1990 to 1999 (Languedoc-Roussillon, Provence-Alpes-Côte d'Azur) and the period 1999 to 2003 (Languedoc-Roussillon again, Midi-Pyrénées, Aquitaine, Corsica, Brittany and, with a lower rate of growth, Poitou-Charentes). The Rhône-Alpes, Pays-de-la-Loire and Alsace regions have reported natural change and migration balances above the national average since 1990. As a general rule, a trend would seem to be emerging towards the

Map 1.2. Evolution and GDP value (between 1990 and 2002)



Source: INSEE (2003), valeur 2001 pour les DOM, DATAR - Observatoire des Territoires.

formation of an increasingly sharp divide between the North, East and Ile-de-France regions, whose overall balance is negative, and the West and the South where all regions have a large positive balance.⁴

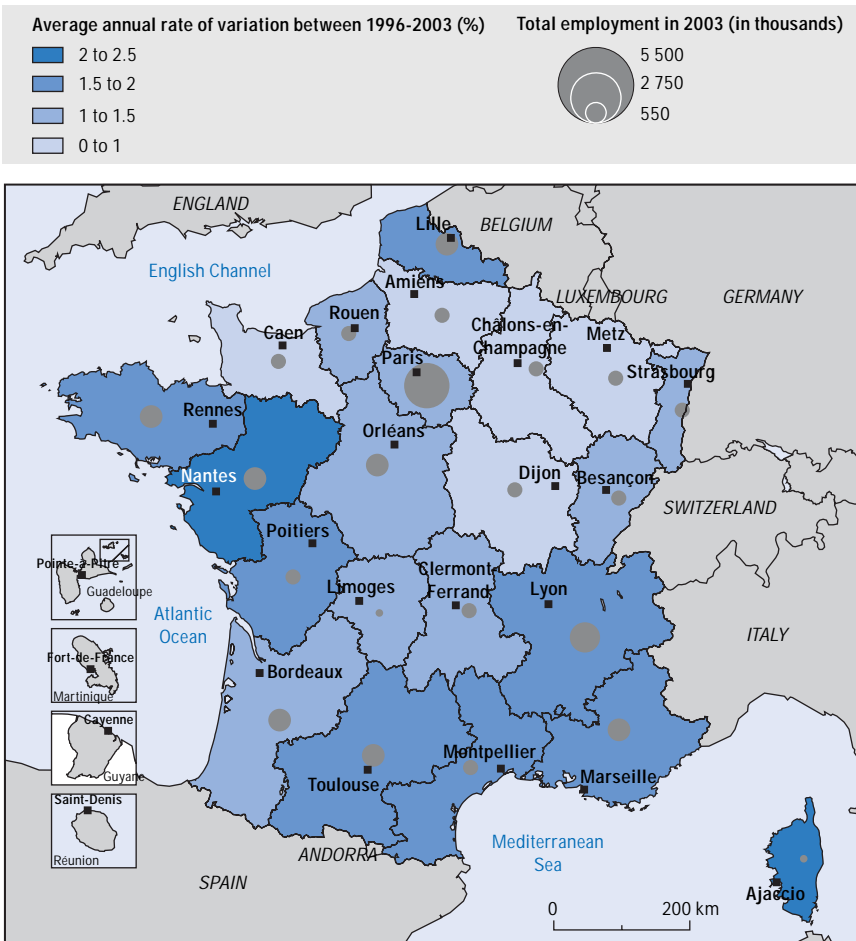
Regardless of how positive the redistribution of population may be, its impacts must not be over-estimated. The growth performances of French regions have often remained below those of many European regions. Among the top 50 European regions ranked by GDP in 2002, the highest-ranked French region in terms of growth rate during the period 1995 to 2002, Brittany, only managed to reach 17th place. Only six other regions, namely Pays-de-la-Loire, Aquitaine, Provence-Alpes-Côte d'Azur, Rhône-Alpes, Ile-de-France and Nord-Pas-de-Calais,

are included in this ranking. Even though the rebalancing process is a significant advance, uncertainties still remain over the competitiveness of French regions at the international level.

Employment and labour markets: territorial heterogeneity

Employment statistics confirm these trends (see Map 1.3). At national level, the French performance remains below the European average (EU with 15 countries) and in particular below the UK, Spain or Nordic countries figures (apart from Sweden). Within France the growth rates of the South and West regions during the 1996-2003 period have been above the national average

Map 1.3. **Employment and variation between 1996-2003**



Source: INSEE, DATAR – Observatoire des Territoires, 25 mai 2005.

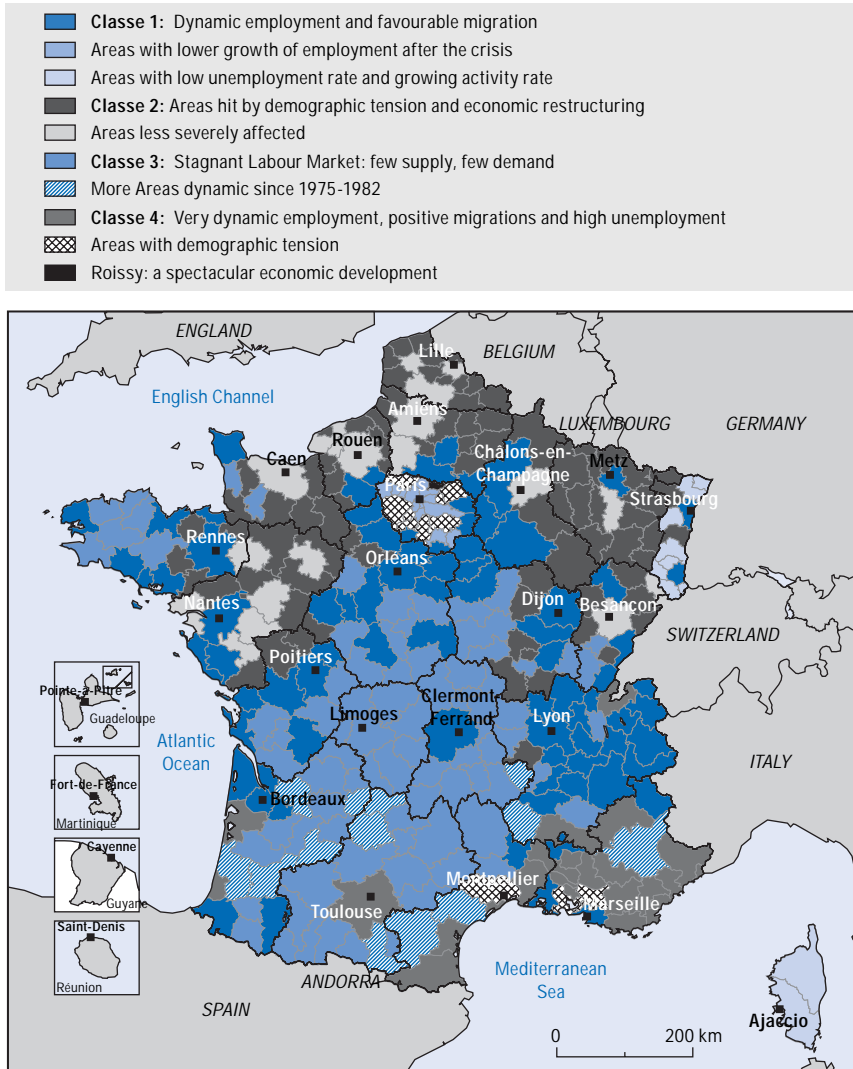
(+1.4%): Corsica (+2.5%), Languedoc-Roussillon, Provence-Alpes-Côte d'Azur, Pays-de-la-Loire (+2.0%), Brittany (+1.9%), Midi-Pyrénées (+1.7%). It is also worth noting that the regions in the Centre and East of France – Limousin and Auvergne, Picardy, Champagne-Ardenne, Burgundy and Lorraine – have been less affected by the rebalancing process and are growing at a markedly lower pace.

At a more detailed territorial level and taking into account a longer period (1962-1999) the results are a little different, without challenging the trends described above. Map 1.4 below identifies more precisely areas with employment growth and those where development has been less dynamic and reveals the major change that has taken place in regional labour markets. One can distinguish:

- Employment zones mainly located around Paris and in the Rhône-Alpes region and around such cities as Bordeaux, Rennes, La Rochelle, Biarritz, Brest or Tours where urban sprawl has been accompanied with positive migration and dynamic employment creation.
- The North, Centre West and East of the country: i.e. mainly areas under strong demographic pressure that have been affected by economic restructuring.
- Most non-urban areas of the South West, where the labour market is flat and where labour supply and demand are low.
- Lastly, regions where employment is highly dynamic and the migration balances are positive but unable to meet demand for employment. This type of market is predominant in Provence-Alpes-Côte d'Azur, Languedoc-Roussillon and Center Brittany.

In these labour markets, dynamic employment can co-exist alongside relatively high rates of unemployment. This applies in particular to a large stretch of the Mediterranean coastline, chiefly due to positive migration (see Box 1.1 and Map 1.5). Likewise, areas where activity is low can report relatively low rates of unemployment due to low demand as a result, for example, of the emigration of workers and ageing of the population (certain regions in the Centre). The highly productive areas in the North and Lorraine have markedly higher than average rates due to the decline in employment in industry and to a large working population in which positive natural change is higher than the negative migration balance. Lastly, there are dynamic areas which obviously have a low rate of unemployment, rising employment in the tertiary sector and good attractive housing (Rennes region, central Alsace). The highest rates of unemployment are usually observed in urban regions. In contrast, five basically rural *départements* (Ain, Aveyron, Mayenne, Lozère and the Jura) have the lowest unemployment rates. At this level, the overseas *départements* remain the regions the worst affected with rates well above 30%.

Map 1.4. **Employment zones and trends in labour markets between 1962 and 1999**



Source: Claire Warzée (2003), *L'évolution des marchés locaux du travail de 1962 à 1999: quatre grands types de zones d'emploi*, INSEE Première No. 908 – July.

As illustrated above, issues relating to territorial cohesion are addressed more at the level, of the employment or residential basin and, more generally, at the sub-regional level. The combined effects of residential choices made at different times of life and according to living standard levels with the rationales for the location of more or less skilled activities sometimes lead to

Box 1.1. Labour markets, unemployment levels, employment rates and activity rates

According to EUROSTAT data, the rate of unemployment reported in France during the 1st quarter of 2005 (10.2%) was higher than that of the EU-25. Unemployment is lowest in the West and the Centre (Brittany, Pays-de-la-Loire, Auvergne and Limousin), amounting to around 8%, and is highest in the North and the South (Nord-Pas-de-Calais, Languedoc-Roussillon and Provence-Alpes-Côte d'Azur) where it stands at around 12% to 13%. Despite higher unemployment rates than the rest of Europe, the territorial concentration of unemployment in France is slightly below the OECD average. The geographical concentration index, in particular, is lower than that of the United Kingdom, Spain and Italy. While regional disparities in terms of unemployment are moderate from the standpoint of international standards, this does not mean to say that they are negligible. This is borne out by the fact that regional rates have risen everywhere over the past few decades.¹

The share of the working age population in employment is one of the lowest in the OECD area, characterised by the small number of young and old workers. Fewer than one out of four young people are in employment, and only one out of three workers between the ages of 55 and 65 has a job, which indicates the existence of a substantial potential that is not being exploited. The low rates of economic activity,² besides being one of the long-term characteristics of the French labour market, have fallen continuously since 1981. Alsace, Lorraine and Languedoc-Roussillon are the only regions where they have recovered between 1981 and 2001. In 2001, some 55% of the French population was economically active. The differences between regions are substantial. Ile-de-France (62%), Alsace (59%) and the Rhône-Alpes region (57.7%) are those which reported the highest rates of participation in the labour market. In contrast, less than a third of the population was economically active in Corsica.

Moreover, the French labour market suffers from low rates of employment (percentage of people aged 15 to 64 years in employment in the same age bracket). Between 1996 and 2001, these rates have risen significantly from 60% to 63% at the national level following the introduction of policies aimed at reintegrating young people and poorly skilled workers into the labour market. However, regional disparities in this respect have also become wider (the coefficient of variation has risen from 8.6% to 8.9%). Ile-de-France and Alsace have the highest rates of employment, two thirds of the population aged between 15 and 64 years were in employment in 2001. The regions at the bottom of the table were Corsica (42%), Nord-Pas-de-Calais (54%) and Languedoc-Roussillon (55%), whose rates of employment were well below the national average.

Box 1.1. Labour markets, unemployment levels, employment rates and activity rates (cont.)

The high rate of unemployment among young people (under 25 years of age) is a constant problem in the French labour market. While the rate of unemployment for the population as a whole in 2003 was close to the EU-25 average, the percentage of people under the age of 25 years who were unemployed was even higher in France. As might be expected, the situation is even worse in regions which have high rates of unemployment. Consequently, around half of young people under 25 years of age living in Guadeloupe, Réunion and Martinique are unemployed. In metropolitan France, Nord-Pas-de-Calais has the highest rate of youth unemployment (27.9%) and Burgundy the lowest (14%). It does seem clear, however, that the problem is widespread and that all territories are affected. Consequently, unemployment among people under 25 years of age remains substantial even in the more vigorous economies in the West and South and in rural regions where overall unemployment rates are moderate.

1. OECD *Regions at a Glance*, 2005.
2. Percentage of the population in work.

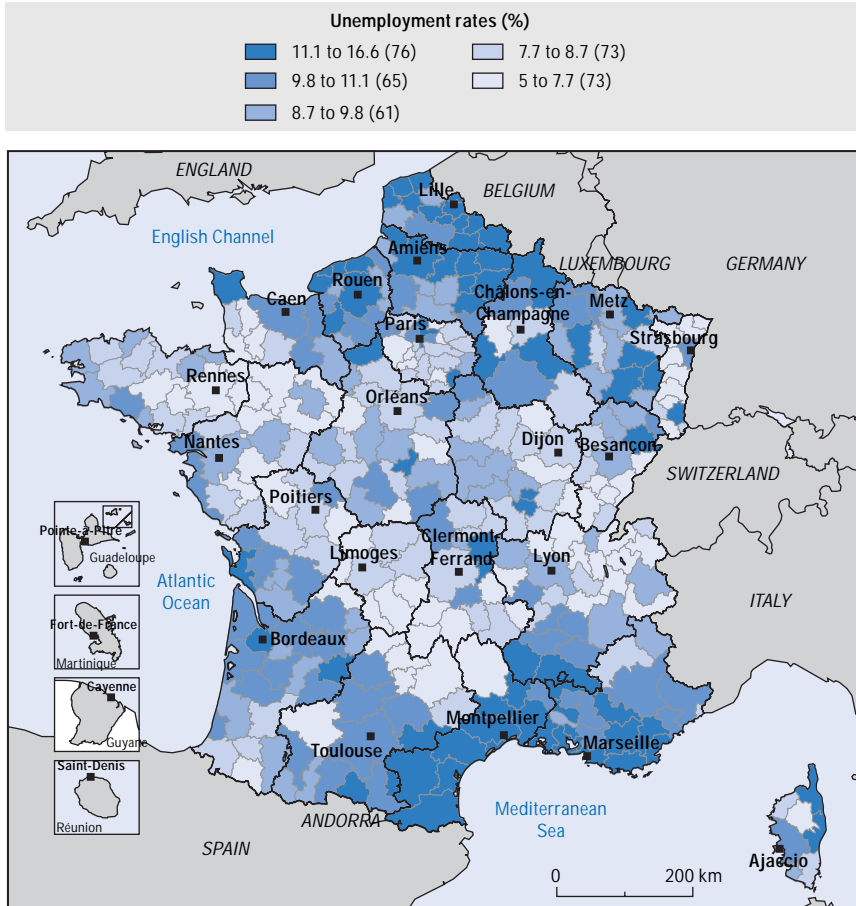
a marked differentiation between local and even neighbouring areas, which calls for the adoption of specific policies, namely conflict between residential and productive areas, declining rural areas, and vulnerable districts continuing to exist within urban areas.

Increased European and international competition for the Ile-de-France region

The Ile-de-France region is ranked 16th in the OECD classification of 66 metropolitan regions with more than two million inhabitants and 3rd in the classification of European metropolitan areas (ranked by GDP per capita) – see Table 1.1. However, growth in GDP per capita for the Ile-de-France region between 1995 and 2002 amounted to merely 2.1%, which is substantially less than metropolitan areas such as London, Manchester, Stockholm, Rome or Madrid (Figure 1.1).

Competition between major metropolitan regions has increased both in Europe and worldwide, with each region developing specific strategies to promote growth in the most viable firms and attract new activities. While the Ile-de-France region is genuinely well placed to attract foreign firms and FDI, this favourable position is vulnerable to competition from other metropolitan areas. The capital region has a number of strengths notably in the field of research and innovation (the high technology sectors employ 700 000 people, with 50% in the service sector) but it is still handicapped by scattered R&D

Map 1.5. Unemployment rates



Source: INSEE (2005, 2^e trimestre) – chaque DOM est considéré comme une zone d'emploi à part entière. DATAR – Observatoire des Territoires.

efforts, insufficient cooperation between firms and research institutions and relatively low level of reactivity of enterprise.⁵ Even if the productivity of Ile-de-France manpower is high (placing the capital at the 6th rank among the 66 metropolitan regions listed below), the region is now in terms of GDP per capita lagging behind London and Munich and Milan is coming close.

It remains that, given the weight of the Ile-de-France region in the French economy (notably concentrating 45% of most qualified jobs in the country) (DATAR, 2003) and given the role of Paris as an international city, increasing the competitiveness of the capital region is a crucial issue for French regional policy.

Table 1.1. GDP per capita of 66 metropolitan regions in the OECD area

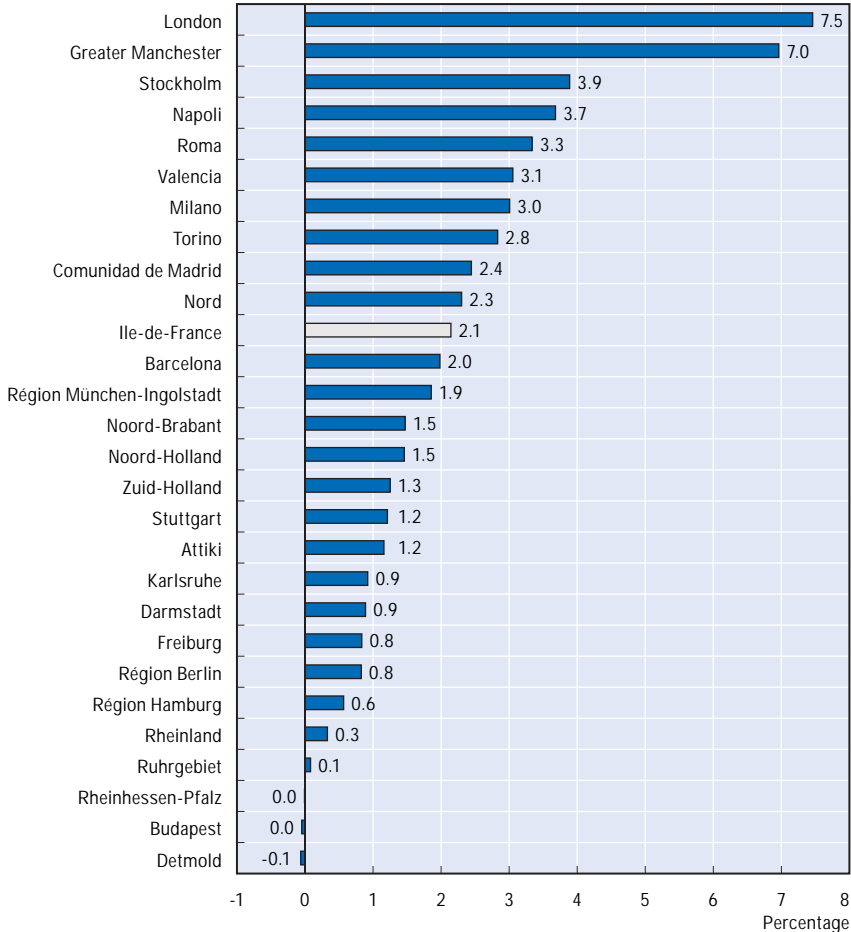
| | Metropolitan region | Year | Population | Real GDP per capita (USD PPP) | National GDP per capita (USD PPP) | Regional/ national ratio | Rank by GDP per capita |
|---------------|------------------------------|-------------|-------------------|-------------------------------------|---|--------------------------------|------------------------------|
| USA | Boston | 2002 | 3 304 030 | 80 780 | 36 121 | 2.24 | 1 |
| USA | San Francisco | 2002 | 1 673 765 | 66 079 | 36 121 | 1.83 | 2 |
| USA | Seattle | 2002 | 2 433 901 | 49 673 | 36 121 | 1.38 | 3 |
| USA | New York | 2002 | 9 185 826 | 48 869 | 36 121 | 1.35 | 4 |
| USA | Denver | 2002 | 2 158 288 | 46 750 | 36 121 | 1.29 | 5 |
| Japan | Tokyo | 2001 | 12 138 000 | 46 555 | 26 493 | 1.76 | 6 |
| USA | Washington | 2002 | 5 162 029 | 45 815 | 36 121 | 1.27 | 7 |
| USA | Dallas | 2002 | 3 689 427 | 45 237 | 36 121 | 1.25 | 8 |
| USA | San Diego | 2002 | 2 813 678 | 44 426 | 36 121 | 1.23 | 9 |
| Germany | Region Munich- Ingolstadt | 2002 | 2 936 300 | 44 285 | 26 613 | 1.66 | 10 |
| UK | London | 2002 | 7 371 200 | 43 295 | 26 954 | 1.61 | 11 |
| USA | Los Angeles | 2002 | 9 630 575 | 42 677 | 36 121 | 1.18 | 12 |
| USA | Houston | 2002 | 4 346 443 | 42 656 | 36 121 | 1.18 | 13 |
| USA | Minneapolis-St Paul | 2002 | 3 056 652 | 42 170 | 36 121 | 1.17 | 14 |
| USA | Chicago | 2002 | 8 290 146 | 42 158 | 36 121 | 1.17 | 15 |
| France | Ile-de-France | 2002 | 11 106 700 | 42 004 | 26 955 | 1.56 | 16 |
| Italy | Milan | 2002 | 3 713 400 | 41 856 | 27 028 | 1.55 | 17 |
| USA | Atlanta | 2002 | 4 310 754 | 41 269 | 36 121 | 1.14 | 18 |
| USA | Portland-Vancouver | 2002 | 1 986 486 | 38 712 | 36 121 | 1.07 | 19 |
| USA | Baltimore | 2002 | 2 653 817 | 38 661 | 36 121 | 1.07 | 20 |
| USA | Philadelphia | 2002 | 4 989 901 | 38 538 | 36 121 | 1.07 | 21 |
| USA | Phoenix | 2002 | 3 259 000 | 38 325 | 36 121 | 1.06 | 22 |
| Germany | Darmstadt | 2002 | 3 755 000 | 37 556 | 26 613 | 1.41 | 23 |
| USA | Cleveland | 2002 | 2 204 453 | 37 334 | 36 121 | 1.03 | 24 |
| Sweden | Stockholm | 2002 | 1 844 700 | 37 066 | 26 901 | 1.38 | 25 |
| USA | Pittsburgh | 2002 | 2 278 401 | 36 868 | 36 121 | 1.02 | 26 |
| USA | Detroit | 2002 | 4 404 088 | 36 716 | 36 121 | 1.02 | 27 |
| USA | Tampa-St-Petersburg | 2002 | 2 441 379 | 35 840 | 36 121 | 0.99 | 28 |
| USA | St-Louis | 2002 | 2 588 142 | 35 624 | 36 121 | 0.99 | 29 |
| Germany | Region Hamburg | 2002 | 3 108 000 | 35 565 | 26 613 | 1.34 | 30 |
| Canada | Toronto | 2003 | 5 114 549 | 34 505 | 31 070 | 1.11 | 31 |
| Netherlands | Noord-Holland | 2002 | 2 566 300 | 34 485 | 29 517 | 1.17 | 32 |
| Italy | Rome | 2002 | 3 714 000 | 33 702 | 27 028 | 1.25 | 33 |
| Germany | Stuttgart | 2002 | 3 975 100 | 33 576 | 26 613 | 1.26 | 34 |
| USA | Miami | 2002 | 2 286 228 | 33 111 | 36 121 | 0.92 | 35 |
| Italy | Turin | 2002 | 2 168 800 | 32 518 | 27 028 | 1.20 | 36 |
| Japan | Aichi | 2001 | 7 087 000 | 31 660 | 26 493 | 1.20 | 37 |
| Germany | Karlsruhe | 2002 | 2 708 300 | 31 254 | 26 613 | 1.17 | 38 |
| Germany | Rheinland | 2002 | 6 652 100 | 31 221 | 26 613 | 1.17 | 39 |

Table 1.1. **GDP per capita of 66 metropolitan regions in the OECD area (cont.)**

| | Metropolitan region | Year | Population | Real GDP per capita (USD PPP) | National GDP per capita (USD PPP) | Regional/ national ratio | Rank by GDP per capita |
|-------------|---------------------|------|------------|-------------------------------------|---|--------------------------------|------------------------------|
| Netherlands | Zuid-Holland | 2002 | 3 431 900 | 30 772 | 29 517 | 1.04 | 40 |
| Japan | Osaka | 2001 | 8 818 000 | 29 866 | 26 493 | 1.13 | 41 |
| Spain | Comunidad de Madrid | 2002 | 5 499 800 | 29 548 | 22 061 | 1.34 | 42 |
| Canada | Vancouver | 2003 | 2 140 602 | 29 345 | 31 070 | 0.94 | 43 |
| Netherlands | Noord-Brabant | 2002 | 2 395 700 | 29 211 | 29 517 | 0.99 | 44 |
| Canada | Montreal | 2003 | 3 577 386 | 28 750 | 31 070 | 0.93 | 45 |
| Germany | Freiburg | 2002 | 2 163 600 | 26 333 | 26 613 | 0.99 | 46 |
| Spain | Barcelona | 2002 | 4 854 000 | 25 934 | 22 061 | 1.18 | 47 |
| Germany | Detmold | 2002 | 2 066 200 | 25 543 | 26 613 | 0.96 | 48 |
| Germany | Rheinhesen-Pfalz | 2002 | 2 013 500 | 25 164 | 26 613 | 0.95 | 49 |
| UK | Greater Manchester | 2002 | 2 522 500 | 24 916 | 26 954 | 0.92 | 50 |
| Japan | Kanagawa | 2001 | 8 570 000 | 23 872 | 26 493 | 0.90 | 51 |
| Korea | Seoul | 2003 | 10 024 308 | 23 622 | 20 516 | 1.33 | 52 |
| Germany | Ruhrgebiet | 2002 | 6 747 000 | 23 553 | 26 613 | 0.89 | 53 |
| France | Nord | 2002 | 2 564 300 | 23 189 | 26 955 | 0.86 | 54 |
| Hungary | Budapest | 2002 | 2 826 900 | 22 700 | 13 848 | 1.64 | 55 |
| Japan | Fukuoka | 2001 | 5 032 000 | 22 161 | 26 493 | 0.84 | 56 |
| Spain | Valencia | 2002 | 2 238 700 | 22 037 | 22 061 | 1.00 | 57 |
| Germany | Region Berlin | 2002 | 5 101 000 | 21 769 | 26 613 | 0.82 | 58 |
| Japan | Chiba | 2001 | 5 968 000 | 21 448 | 26 493 | 0.81 | 59 |
| Korea | Gyeonggi | 2003 | 9 846 778 | 19 204 | 20 516 | 1.08 | 60 |
| Japan | Saitama | 2001 | 6 978 000 | 18 955 | 26 493 | 0.72 | 61 |
| Greece | Attiki | 2002 | 3 910 100 | 18 136 | 17 100 | 1.06 | 62 |
| Korea | Incheon | 2003 | 2 615 133 | 18 044 | 20 516 | 1.02 | 63 |
| Italy | Naples | 2002 | 3 067 900 | 17 364 | 27 028 | 0.64 | 64 |
| Korea | Busan | 2003 | 3 685 290 | 15 627 | 20 516 | 0.88 | 65 |
| Korea | Daegu | 2003 | 2 547 231 | 12 911 | 20 516 | 0.73 | 66 |

Notes: 1) Data for European regions have been taken from Eurostat level TL2 or TL3 statistics; 2) data for Japan and Korea are those published by national statistics offices; 3) data on the metropolitan population have been taken from the American Community Survey 2002 Profile of the US Census Bureau, which is limited to households and which excludes the population living in institutions, colleges, dormitories and other groups; 4) statistics for the population of Minneapolis-St. Paul, MN-WI MSA have been taken from the Real Estate Centre at Texas A&M University www.recenter.tamu.edu/ 5) data for Portland-Vancouver, OR-WA PMSA have been taken from the Metro Regional Data Book (January 2005) www.metro-region.org; 6) population data for Phoenix-Mesa MSA have been taken from the Greater Phoenix Economic Council www.gpec.org; 7) data for Washington D.C. PMSA and Baltimore PMSA have been taken from the Federation for American Immigration Reform: Metro Area Fact sheet www.fairus.org; and 8) GDP data for US metropolitan regions are those published by the US Conference of Mayors www.usmayors.org.

Source: OECD Territorial database and EUROSTAT.

Figure 1.1. **Growth in GDP per capita in selected regions (1995-2002)**

Source: EUROSTAT.

Development of French metropolitan regions outside the Ile-de-France region

The migratory dynamic outside the Ile-de-France region has a major impact on provincial metropolitan areas and on national urban policy towards metropolitan areas.

The trend in the population of 354 urban areas between 1954 and 1999 reflects the exceptional period of expansion that all cities have experienced. Half of all urban areas grew by at least 50% and fifty or so of them even saw their population double (DATAR, 2005). Most metropolitan regions have grown faster than Paris since 1975, notably in the South-East of the country and,

more recently, the West. At present, 80% of the French population lives in a city and over 60% in an urban area with more than 100 000 inhabitants. Some of these cities (for example, Lyon, Lille, Nice and Strasbourg) are starting to emerge as regional centres at the European level, thanks to their good accessibility, their cultural dynamism and the on-going diversification of their economic base

Nevertheless, despite this growth, the size of French cities, with the exception of Paris, remains small compared with that of cities in other European countries. They only rank in fourth place in terms of major European cities (see Box 1.2). Consequently, no French city – apart from Paris – ranks as a “world” metropolitan area in the DATAR classification (Class 1, see Table 1.2). In general most cities (above 200 000 inhabitants) do not reach the performances of the large urban centres in Europe, often because of their weaknesses in financial services, their insufficient scientific standing and their modest activities with regard to fairs and international congresses.

The 78 French urban areas with over 100 000 inhabitants account for 84% of high-level metropolitan jobs (DATAR, 2005), that is to say jobs that are the most closely related to the knowledge, innovation and decision-making economy.⁶ The Paris urban area is a special case, however, in that. Although it has experienced an aggregate loss of jobs between 1990 and 1999 (-0.6% in nine years), it has in contrast gained during this period a large number of high-level metropolitan jobs (+11.7%).

Recognition of the vital contribution made by cities to national economic development has led to a recent shift in French regional policy in which the economic competitiveness of major metropolitan areas is supported more actively. Consequently, DATAR has recently started to implement a policy

Box 1.2. DATAR classification of 180 European cities

A study commissioned by DATAR has established an overall classification for 180 European cities on the basis of their standing and influence (accessibility, presence of major groups, financial services, urban tourism, research, number of congresses, culture, population trends, etc.). The scale of the analysis is that of the agglomeration, measured in terms of the continuity of the urban environment.

This study classifies European cities into seven categories: 1) world-ranked metropolitan areas; 2) major European metropolitan areas; 3) European metropolitan areas; 4) major European cities; 5) potential major European cities; 6) confirmed major national cities; 7) other major national cities (see Table 1.2).

Table 1.2. **Standing of European cities – Breakdown of cities by country and by class**

| | Classe country | | | | | | | Total by country |
|-----------------------|------------------|----------|----------|-----------|-----------|-----------|-----------|---------------------|
| | 1 (world-ranked) | 2 | 3 | 4 | 5 | 6 | 7 | |
| Germany | | | 2 | 4 | 4 | 7 | 17 | 34 |
| Austria | | | 1 | | | 2 | 1 | 4 |
| Belgium | | | 1 | | 1 | 1 | 3 | 6 |
| Denmark | | | | 1 | | | | 1 |
| Spain | | 1 | 1 | | 6 | 6 | 8 | 22 |
| Finland | | | | 1 | | | 2 | 3 |
| France | 1 | | | 3 | 7 | 9 | 10 | 30 |
| Greece | | | | 1 | 1 | | | 2 |
| Ireland | | | | 1 | | | | 1 |
| Italy | | 1 | 1 | 1 | 4 | 7 | 8 | 22 |
| Luxembourg | | | | | 1 | | | 1 |
| Norway | | | | 1 | | | | 1 |
| Netherlands | | 1 | | | 2 | 2 | 7 | 12 |
| Portugal | | | 1 | | 1 | | | 2 |
| United Kingdom | 1 | | | | 5 | 3 | 22 | 31 |
| Sweden | | | 1 | | 1 | | 1 | 3 |
| Switzerland | | | | 2 | 1 | 2 | | 5 |
| Total by class | 2 | 3 | 8 | 15 | 34 | 39 | 79 | 180 |

Source: "Les villes européennes. Analyse comparative", Céline Rozenblat, Patricia Cicille, Paris; La Documentation Française (DATAR, 2003), 94p.

towards metropolitan projects aimed at encouraging co-operation between major "agglomerations" and at stimulating the factors that can help the sphere of influence of metropolitan areas expand more rapidly (see Chapter 2).

Renewed signs of vigour in some rural areas

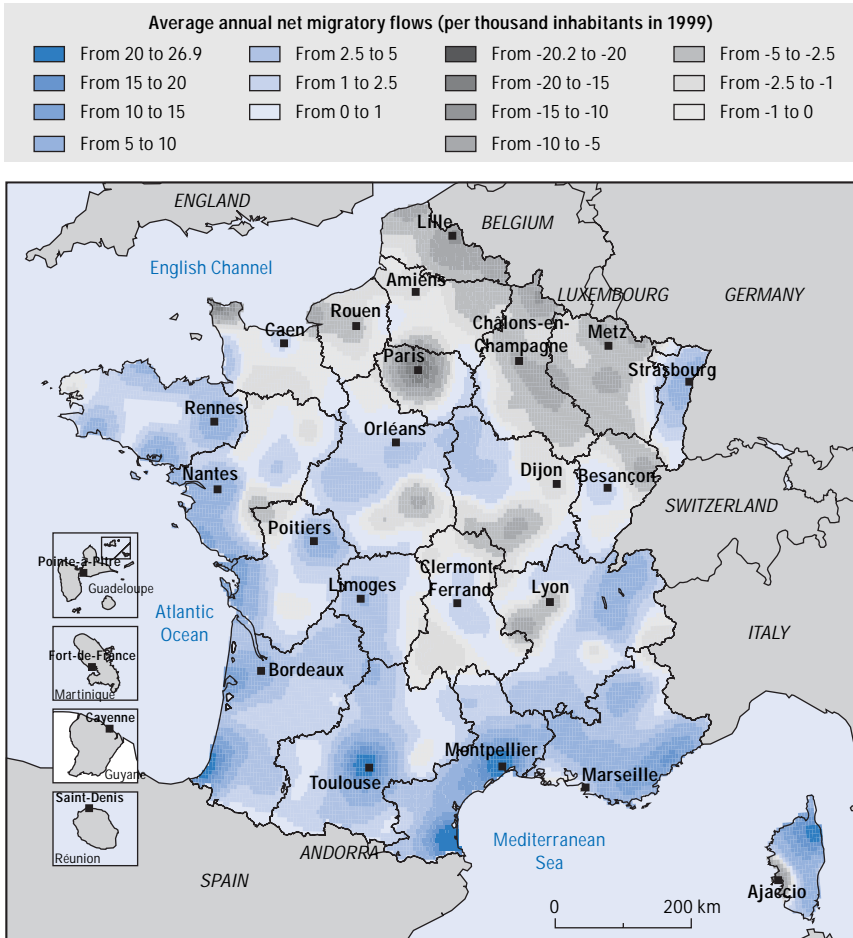
The other major trend that may be seen is the renewed vigour of a number of rural regions. These signs of growth and vitality are driven by the arrival of new populations, even in isolated territories. Rural areas have potential in terms of their attractiveness (living environment, quality of food, protection of the environment), and even the scope they offer for improving competitiveness services, teleworking, entrepreneurship, amenities, green tourism). The rural landscape is therefore far less uniform than in the past, prompting efforts to diversify rural policy.

It should be noted that, despite the continuous decline in employment in agriculture, rural areas reported net gains in employment over the period 1990-1999, with strong growth in services. The resilience of industry in

such areas is also worth noting. Its presence can be very important in rural areas (over 40% of employment in a quarter of rural basins) and relatively evenly spread. This resilience may be attributed to several factors: special local skills and lower wages, capacity to organise local networks of firms (local clusters), etc. However, it is clear that regions with traditional farming activities or traditional manufacturing industries where population density has fallen significantly are faced with pressing problems. At the same time, other types of region, including those with major manufacturing sectors (agro-food, but also other sectors such as tourism), are doing well.

According to the DATAR 2003 report: *Quelle France rurale pour 2020? (Rural France in 2020?)* this positive demographic trend is driven by two main processes. Firstly, there is the growing impact of periurban development (see Map 1.6). During the ten-year period from 1990 to 1999, the periurban population increased from 8.8 million to 12.25 million. Over 75% of these new arrivals took up residence in communes formerly classified as rural (around 5 000 communes).⁷ The second trend is the more widespread increase in population in predominantly rural areas, primarily due to the arrival of new residents.⁸ Between 1990 and 1999, the migration balance of predominantly rural areas was strongly positive (+254 000 inhabitants), whereas the rate of natural change was increasingly negative (187 000 more deaths than births during the same period). More importantly, this outnumbering of departures by new arrivals is no longer observed solely in rural areas on the periphery of urban areas but can also be seen in the rural communes the furthest away from urban centres. For the first time, the migration balance of so-called isolated rural areas (in the sense in which INSEE uses the term) has become positive (+0.29% a year over the decade 1990-1999), mainly due to the arrival of new residents, both of working age and retired, and sometimes of foreign origin.⁹ The longstanding pessimism over the future of rural areas in France has to some extent been replaced by one of cautious optimism for the future. The population of predominantly rural areas in France in 1999 has recovered to the 1962 level, and over half of rural municipalities experienced net growth in population over the period 1990 to 1999 (INSEE, 2000).¹⁰ This trend appears to have consolidated since then. One remarkable development in recent years in the only two French regions to have reported negative natural change (Auvergne and Limousin) is that the population is starting to increase again in response to a sharp increase in their attractiveness.

The breakdown of internal migration by age of migrants in 1999 lends support to the hypothesis of a trend towards greater mobility, but also reflects the important dimension of migrants' age as a determining factor in the nature/direction of migration. For example, no fewer than 69 départements experienced a decline in the number of 14-24 year olds between 1990 and 1999 as a result of young people leaving. This category of the population usually

Map 1.6. **Significant migrations between 1990 and 1999**

Source: J.M. Zaninetti, d'après INSEE. DATAR – Observatoire des Territoires, 31 mai 2005.

leaves to pursue studies or find employment, which can have a major impact on the rate of population growth. The Ile-de-France region plays a central role in these movements since it was the origin or destination of 40% of all inter-regional migratory flows between 1999 and 2003, in different directions according to the age of the migrant. Ile-de-France, like Alsace, another region with a negative net balance, continues to act as a strong magnet for young people pursuing their education or seeking their first job. Conversely, in regions in the West whose aggregate balance is positive, the balance for young adults remains negative. Only four regions in the South, namely Midi-Pyrénées, Languedoc-Roussillon, Provence-Alpes-Côte d'Azur and Rhône-

Alpes, have a positive balance for young people between the ages of 20 and 29. As a general rule, rural regions do appear, however, to offer fewer openings to young people aged 15-24 than urban regions in that only five rural regions reported gains through net internal migratory flows in this age bracket.

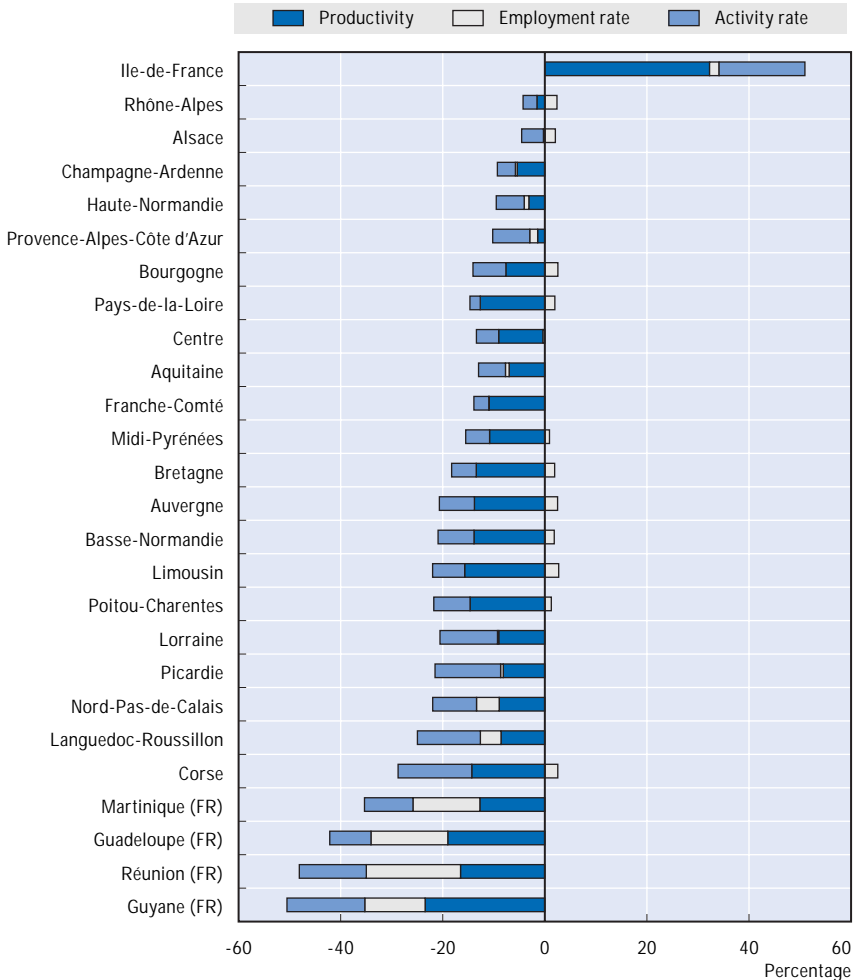
In contrast, rural *départements* appear to be more attractive to people of working age (25-64 years). Thirty-nine of them reported population gains as a result of net migratory movements within this age bracket. This is also the case for 20 intermediate *départements*. Var (located on the South East coast), in particular, is the *département* that has most benefited from the arrival of people of working age (5.2%). On the other hand, all urban *départements* (save two) have lost a share of their population within this age bracket. Moreover, Var was also the *département* that reported the strongest growth in population (1.6%) as a result of the arrival of elderly people during the 1990s. Eighteen other intermediate *départements* gained population through the return of people aged over 65, although the latter were mainly attracted by rural areas. No fewer than 51 rural *départements* reported positive inflows of retirees, Alpes-Maritimes being the sole urban territory to have experienced a comparable trend.

1.3. Economic performances of France and its regions

These territorial trends reflect a certain degree of consolidation of the territorial cohesion of the country, at least at the regional level. Indeed, international comparisons show that the geographical concentration of GDP is relatively modest and below the OECD average. Nonetheless, the economic performance of France is heavily dependent on a small number of regions. Four regions (Ile-de-France Rhône-Alpes, Provence-Alpes-Côte d'Azur and Nord-Pas-de-Calais) account for half of national output. Disposable income, in contrast, is more evenly distributed than GDP per capita as a result of transfer policies. Recent territorial redeployment has increased this trend, which may become stronger in the future as a result of population ageing.

Differences in GDP per capita

In 2002, Ile-de-France was the sole region to report GDP per capita higher than the national average, by no less than 51% (see Figure 1.2). This high level of GDP would primarily appear to be attributable to two factors: labour productivity – which explains the positive difference in GDP per capita of 32% compared with the national average – and rate of activity (+17%). In fact, the contribution of the rate of employment to GDP per capita in the Ile-de-France (+2%) is in line with that of some regions (Alsace, Rhône-Alpes, Pays-de-la-Loire, Brittany, Basse-Normandie) and even below that of others (Auvergne, Burgundy

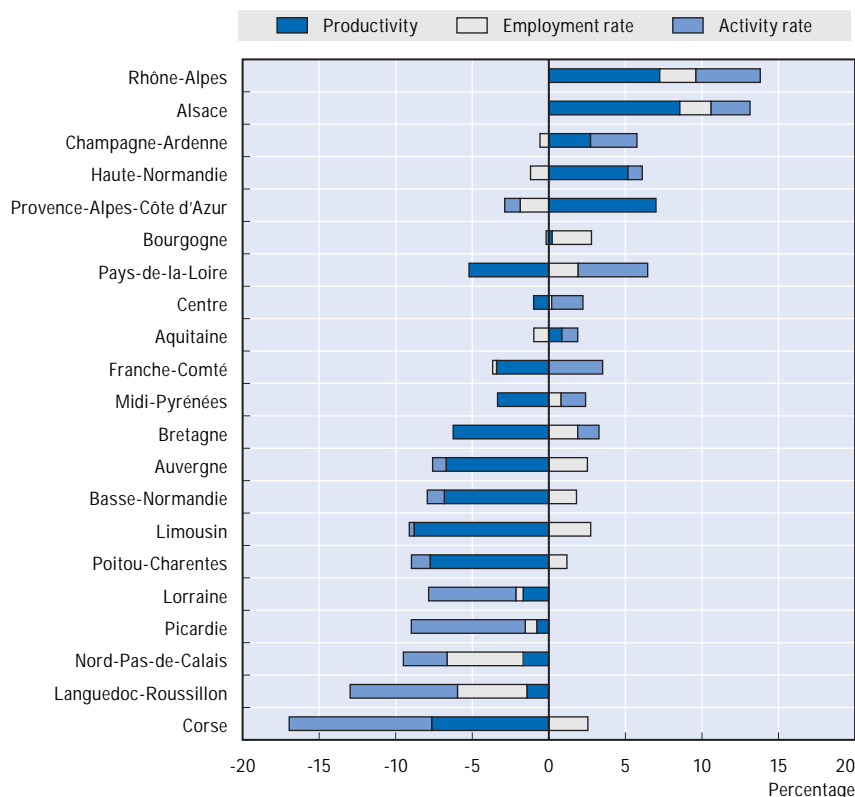
Figure 1.2. **Breakdown of differences in GDP per capita between regions**

Source: OECD Territorial database (see Annex 1.A1 to this chapter).

and Corsica), where the rate of employment would seem to explain a positive difference of 3% in GDP per capita compared with the national average.

The size of the difference between the Ile-de-France region on the one hand and the overseas départements on the other conceals major structural differences. For this reason, these regions are not taken into account in Figure 1.3 which shows that most regions with an above average GDP per capita owe this performance to their high level of productivity. Pays-de-la-Loire and Franche-Comté are the sole regions where good rates of employment and activity compensate by a lower level of productivity.

Figure 1.3. **Breakdown of differences in GDP per capita between regions (excluding Ile-de-France and overseas departments)**

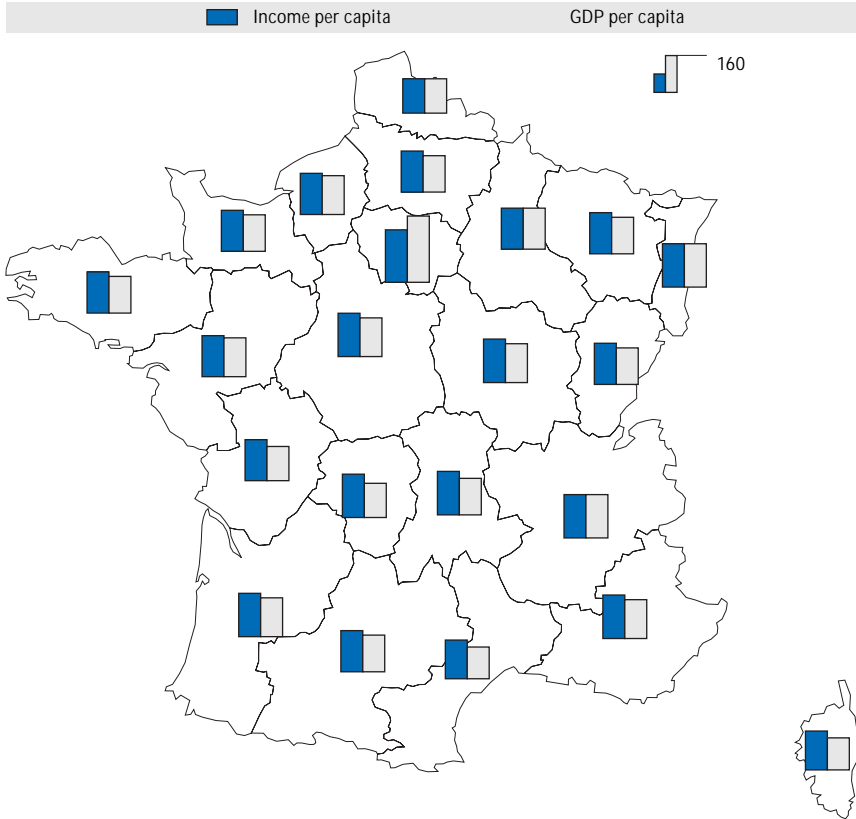


Source: OECD Territorial database.

The regions with a below-average GDP per capita can be divided into two groups. The first (from Midi-Pyrénées to Limousin) is characterized by a negative difference in GDP moderated by an above-average rate of employment (as well as by an above average rate of activity in Midi-Pyrénées and Brittany) which counterbalances a very low level of productivity. The second group, on the other hand, which is characterised by a smaller productivity difference have a GDP per capita that is substantially higher than average due to very low rates of employment and, above all, activity.

Impact of redistribution policies

Regional disparities are less important for disposable income, as a result of redistribution mechanisms. While the Ile-de-France region accounts for a third of national output, it only captures 20% of national income. As Map 1.7 shows,

Map 1.7. **Regional disposable income vs. GDP per capita, 1998**

Source: The statistics for per capita income and income by region were provided by INSEE, *Division des Statistiques Régionales, Locales et Urbaines (SEC95)*, and those for per capita income by EUROSTAT.

by comparing regional GDP per capita with the disposable regional income per capita, apart from Ile-de-France, only Alsace and the Rhône-Alpes regions have a GDP per capita higher than per capita income. However, in both cases the difference is minimal (1 to 2%). Regions with surplus income contribute to redistribution through the equalization mechanisms operated through the State budget and taxes. The inhabitants of the Ile-de-France region therefore enjoy salaries and property income that are almost 50% higher than the per capita national average, although their payments in the form of social contributions and taxes are also respectively 35% and 69% higher. As a result, gross per capita disposable income in Ile-de-France is only 22% above the national average. In contrast, there are several regions where cash benefits are above the national average (Limousin, Auvergne, Burgundy, etc.), as well as

regions where per capita payments of taxes and social contributions are well below the national average (overseas départements). This spatial differential is reflected in increased gross disposable income in such regions.

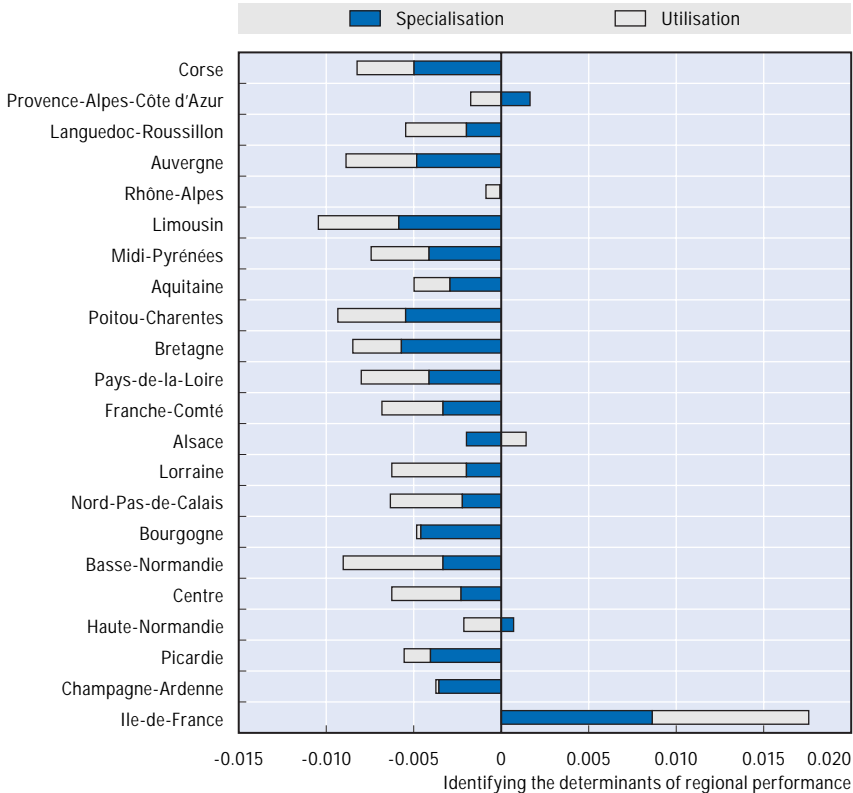
Transfers (pensions, social benefits, minimum income) account for a significant share of regional disposable incomes, with figures varying from 24.8% of total regional income for the capital region to 35.8% for Languedoc-Roussillon and Limousin. In that context, more people have been able to select their location of residence separately from their place of work and to relocate in rural areas thus triggering off a new demand for local services. While these trends have implications for rural policies, these residential dynamics need to be considered in their systemic dimension and attention should also be directed to the regions that support this transfer of income.

1.4. The main challenges

The factors that affect GDP per capita – productivity, infrastructure, entrepreneurship or labour skills – are the principal preoccupations of the authorities. Some regions are evidently better endowed than others in those factors, and disparities can be significant, for example, with regard to spending on innovation, access to the knowledge economy, to broadband infrastructures or the social capital for active entrepreneurship. In order to be efficient, competitiveness policies need to adjust to local and regional conditions. Key factors and productivity dynamics have to be analysed in detail in order to identify the structural particularities of the country and the degree of variation between regions, and to determine what the main challenges are.

The differences between regional productivity and average national productivity may be the outcome of two parameters: specialisation in high (or low) value-added sectors and/or better utilisation (or under-utilisation) of available resources (technology, infrastructure, etc.). Figure 1.4 provides a breakdown of the impacts of these two parameters at the regional level (TL2) on the basis of disaggregated data for employment in 36 sectors. In 2000, solely the Ile-de-France region reported productivity levels above the national average. This positive result is due almost as much to specialisation in high value-added sectors as to better utilization of available resources. In contrast, the other regions are handicapped by their specialisation in less productive branches (except for Provence-Alpes-Côte d'Azur and Haute-Normandie) and the existence of untapped resources (except for Alsace). Specialisation in low productivity sectors is a critical problem in Corsica, Auvergne, Limousin, Poitou-Charentes, Brittany, Burgundy, Picardy and Champagne-Ardenne, whereas the existence of untapped resources is a greater problem in Lorraine, Nord-Pas-de-Calais, Basse-Normandie, Centre and Haute-Normandie.

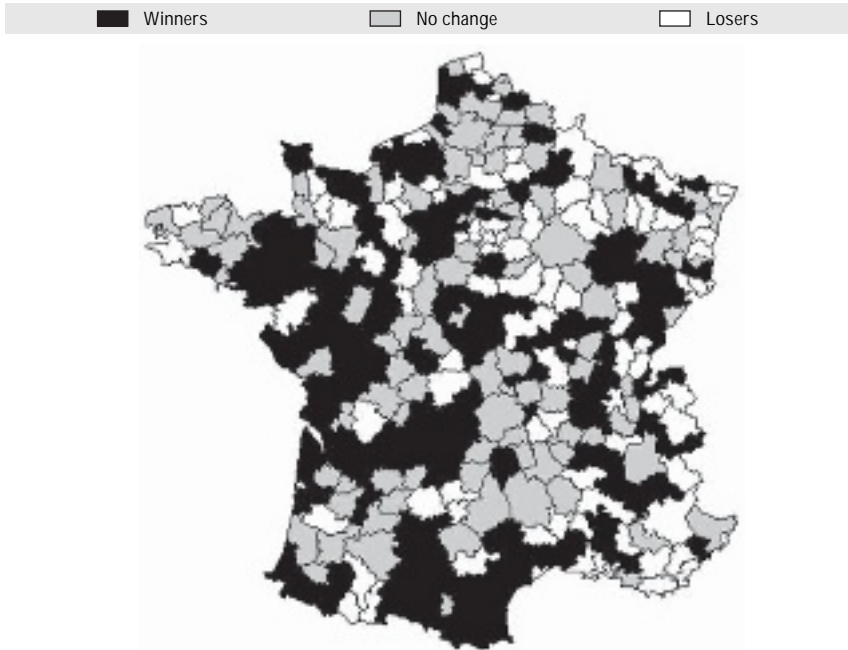
Figure 1.4. **Breakdown of differences between regional productivity levels and the national average at territorial level 2 in 2000**



Source: INSEE, *Identifying the Determinants of Regional Performance in France*, 2004.

The type of specialisation and its effects on productivity affect international competitiveness. A study by the Commissariat général du plan¹¹ proposes that employment zones be classed by their degree of vulnerability to international competition, by cross-correlating the rate of export and import coverage with the type of labour used (Map 1.8). The degree of vulnerability of locations is defined according to the degree to which activities are exposed to international competition. On the whole, the weakest employment zones are relatively limited in terms of both the number of zones and the number of jobs (40 zones and less than 7% of national employment). Within this group, thirteen zones have the double handicap of being highly vulnerable to international trade (with over 30% of employment in very high risk activities), as well as having unhelpful structural characteristics (notably sectoral specialisation, establishments with little autonomy, productive units that use low-level technology, abundant poorly skilled workers). Conversely,

Map 1.8. Three types of employment zone



Source: Commissariat général du plan. Rapport sur la Localisation des Activités Économiques et les Stratégies de l'État, Juin 2005.

almost 4 out of 10 employment zones have a proportion of jobs in activities likely to benefit from international trade that is above the national average. This positive conclusion with regard to the capacity of French regions to remain competitive also emerges from an OECD study¹² which shows that the increase in France's degree of international openness during the period 1980-1999, measured in terms of international trade in goods and services,¹³ is significantly associated with an increased rate of GDP growth in 23 départements.

On the other hand, it would seem that the vulnerability of territories to relocations cannot be readily assessed. Although in recent years relocations appear to have had a limited impact on industrial employment (0.35% of industrial employment on average according to a study by INSEE), some employment zones have nonetheless been harder hit.¹⁴ The same study estimates that over 10% of employment in six zones and 5% in thirty zones has apparently been affected by relocations. However, the impacts remain low in the rest of the territory (France has 352 employment zones). Furthermore, the poorest zones or those with the highest rate of unemployment do not appear to have been more affected than rich zones with low unemployment.

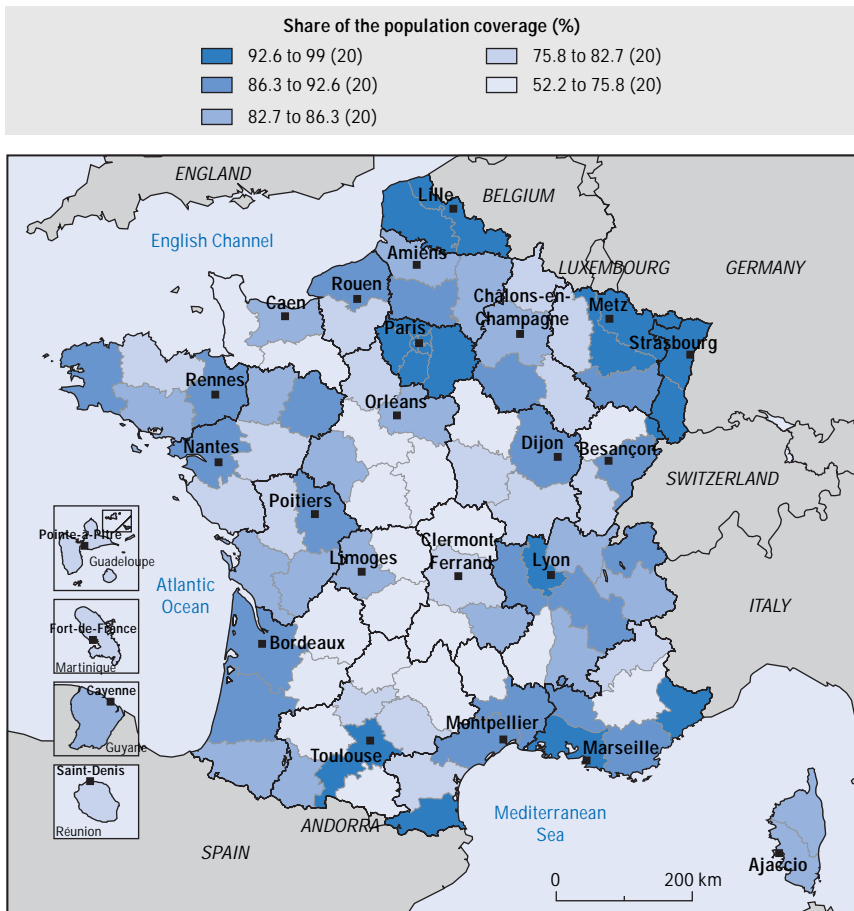
Infrastructure

Infrastructure seems to be less of a driver of regional development, in terms of the rebalancing process, than in the past. The central position that France occupies in Europe has already been capitalised upon through the construction of a very extensive and modern transport network. The major infrastructure projects that have been implemented to create high-speed rail and road links between Paris and many regional cities as part of a concerted development effort appear to have borne fruit. In contrast, improving existing networks in order to support the trends towards rebalancing and opening up to Europe and international markets remains a key factor in competitiveness and attractiveness. Accordingly, according to forecasts made by DATAR, the road network can be developed in the following two respects: 1) ensure the fluidity of traffic along the main transit routes from North to South, Benelux-Paris-Bordeaux-Spain, on the one hand, and Benelux/Germany-Metz-Lyon-Italy/Spain on the other; and 2) finish building the main East-West motorways in order to improve links between the Atlantic seaboard and the major centres in Europe. The improvement and development of rail infrastructure are designed to meet three objectives: 1) promote the creation of a European rail network for passengers (TGV) and freight (European freight corridors), notably through new links to Germany (TGV Eastern Europe and TGV Rhine-Rhône), Italy (new link between Lyon and Turin) and Spain; 2) continue the development of the high-speed network to ensure better services to regional metropolitan centres; and 3) improve service to major cities that may not be connected to the high-speed network.

The major challenge, as for most OECD member countries, lies in the information society, access to information and communication technologies and, in the short term, high-speed Internet access. At first sight, it would seem that France has caught up its lag in the provision of access to the high-speed network in its territory. With 24 million Internet users and 7.9 high-speed subscribers as of 30 June 2005, compared with 6.5 million high-speed subscribers (of which 6.1 million ADSL lines) as of 1 January 2005, 3.6 million at the end of 2003 and 500 000 in mid-2002, France is in the vanguard of European countries. With an ADSL penetration rate of 16% in terms of the number of lines compared to the total population, France is now above the European average (15%), behind Denmark, the Netherlands and Belgium but ahead of the United Kingdom and Germany. In practice the penetration rate is 25% of households and 10% of the population. The number of xDSL lines is growing at a rate of 12.9% per quarter. The replacement of low-speed access with high-speed access is continuing. Several technologies provide access to high-speed Internet.¹⁵ The general public accounts for the bulk of xDSL and cable subscriptions, whereas other technologies are aimed more at business customers. While wireless Internet technologies were still non-existent

in 2002, 5% of Internet users now have a wireless Internet connection in their own homes. France is showing a genuine flair for innovation in this area in that there are now over 2 500 “hot spots” open to the public, and the country is ranked third in the world for Wifi equipment after the United States and the United Kingdom. In spite of these successes, many areas remain enclaved and in particular numerous rural areas are still not connected with the broadband network. The country has not yet reached a satisfactory territorial coverage for broadband (see Map 1.9).

Map 1.9. **Broadband territorial coverage (December 2004)**



Source: ORTEL(c) (TACTIS/IDATE) (2004), décembre. DATAR – Observatoire des Territoires.

Innovation

As a result of sectoral specialisation and infrastructure, productivity is closely linked to the capacity of regions to innovate and apply technologies.

According to a study by OST, although indicators of per capita patent applications show that France's innovation balance is lower than that of smaller countries (such as Finland or Sweden), size alone ranks France in the top three in the EU15 in terms of science and technology (ST) skills. Despite a decline in its share of ST activities in the EU15 (from 18.8% in 1995 to 16.5% in 2001), France advanced from third to second place behind Germany (33% in 2001) ahead of the United Kingdom (13.5% in 2001).¹⁶ The number of triad patent families (patents filed with the European Patent Office, the US Patent and Trademark Office and the Japanese Patent Office) confirms that France ranks behind Japan, Germany and the United States, but ahead of the United Kingdom, Italy and Spain.¹⁷

In the same study at the regional level, Ile-de-France is ranked first among regions within the European Union, with Rhône-Alpes, Provence-Alpes-Côte d'Azur and Midi-Pyrénées ranked in sixth, fifteenth and thirtieth positions respectively. The Ile-de-France is ranked first in all regional classifications in all areas of competitiveness apart from textiles. However, the aggregate indicator for the region has plummeted by almost 20%, between 1995 and 2001, whereas the regions of Oberbayern and Stuttgart, ranked second and third respectively in the aggregate indicator classification, have risen by 25.3% and 22.6%. Furthermore, only four French regions (in the order Ile-de-France, Rhône-Alpes, Provence-Alpes-Côte d'Azur and Midi-Pyrénées) are ranked in the top fifty places, compared with eighteen (out of forty-one) for Germany. In addition, whereas Rhône-Alpes has dropped three places and Midi-Pyrénées five, other European regions such as Catalonia (which has gained 14 places and is now ranked twenty-ninth just ahead of Midi-Pyrénées) are growing vigorously. In contrast, the Rhône-Alpes was ranked third in the classification for nuclear and renewable energies, and the Midi-Pyrénées region seventeenth for aeronautics.

Territorial concentration remains fairly high, with the four regions of Ile-de-France, Rhône-Alpes, Provence-Alpes-Côte d'Azur and Midi-Pyrénées well in the lead. Two aspects of this concentration are worth noting:

1. Technological skills tend to be more concentrated than scientific skills.¹⁸ Although scientific skills in the Ile-de-France and Rhône-Alpes regions account for 36% and 12% respectively of the national total, their respective shares are higher in terms of technological skills and amount to 43.5% and 16%. The lower spatial concentration of scientific skills might be related to the research conducted by public bodies, which generally tend to outnumber private research facilities in peripheral regions. However,

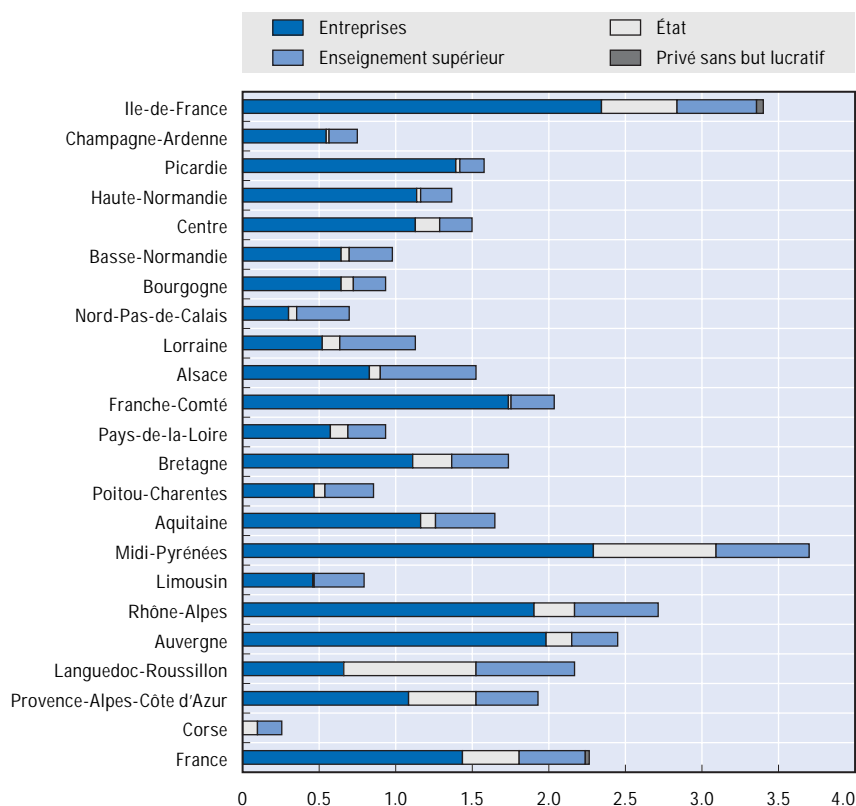
considerable regional variations may also be seen in terms of R&D intensity and the territorial distribution of researchers.¹⁹

- The largest share of R&D expenditure in regions such as Midi-Pyrénées (69%), Provence-Alpes-Côte-d'Azur (66%), Aquitaine (61%) is allocated to high-tech industries. In other regions such as Champagne-Ardenne (36%) or Basse-Normandie (20%), the investment in high technology is much lower and a fifth of the budget is allocated to low-tech sectors (Figure 1.5 and Table 1.3).

R&D activities and production activities do not necessarily coincide, both because many productive activities do not necessarily make use of research for their development and also because the reach of R&D activities extends well beyond the area of the region in which they are located. Innovation activities do however assume greater importance in all sectors of the economy

Figure 1.5. **R&D expenditure at territorial level 2, 2002**

As a percentage of GDP



Source: Ministère de l'Éducation nationale et l'Enseignement supérieur et de la Recherche (Ministry of Education and Research).

Table 1.3. Breakdown of R&D expenditure by firms by technological intensity of the sector at territorial level 2 in 2001

As a percentage of total R&D expenditure

| | A | B | C | D | E | F | Total |
|------------------------------|------|------|------|------|------|------|-------|
| Ile-de-France | 35 | 40 | 2 | 2 | 6 | 15 | 100 |
| Champagne-Ardenne | 15 | 30 | 13 | 36 | 3 | 2 | 100 |
| Picardy | 4 | 66 | 19 | 9 | 1 | 2 | 100 |
| Haute-Normandie | 32 | 48 | 15 | 3 | 1 | 1 | 100 |
| Centre | 26 | 42 | 11 | 9 | 4 | 8 | 100 |
| Basse-Normandie | n.a. | n.a. | 3 | 20 | 2 | 20 | 100 |
| Burgundy | 22 | 52 | 16 | 6 | 1 | 4 | 100 |
| Nord-Pas-de-Calais | 9 | 37 | 18 | 17 | 7 | 12 | 100 |
| Lorraine | 5 | 39 | 42 | 5 | 2 | 6 | 100 |
| Alsace | 25 | 49 | 5 | 13 | 2 | 7 | 100 |
| Franche-Comté | 9 | 85 | 2 | 1 | 0 | 3 | 100 |
| Pays-de-la-Loire | 49 | 20 | 11 | 8 | 5 | 7 | 100 |
| Brittany | 44 | 11 | 3 | 3 | 1 | 37 | 100 |
| Poitou-Charentes | 17 | 62 | n.a. | n.a. | n.a. | 4 | 100 |
| Aquitaine | 61 | 15 | 1 | 4 | 10 | 10 | 100 |
| Midi-Pyrénées | 69 | 19 | 2 | 1 | 4 | 6 | 100 |
| Limousin | 11 | 77 | 3 | 4 | 3 | 3 | 100 |
| Rhône-Alpes | 38 | 36 | 11 | 4 | 1 | 10 | 100 |
| Auvergne | n.a. | n.a. | n.a. | n.a. | n.a. | 1 | 100 |
| Languedoc-Roussillon | 4 | 63 | 2 | 2 | 13 | 16 | 100 |
| Provence-Alpes-Côte-d'Azur | 66 | 16 | 2 | 1 | 2 | 13 | 100 |
| Corsica and overseas regions | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | 100 |
| France | 36 | 36 | 7 | 4 | 4 | 12 | 100 |

A = high-tech manufacturing industries.

B = medium-tech manufacturing industries.

C = medium to low tech manufacturing industries.

D = low-tech manufacturing industries.

E = primary sector, energy and construction.

F = services.

Other information on the classification of sectors by technology intensity is to be found in the *STI Scoreboard 2003* published by the OECD. To respect statistical confidentiality, disaggregated data for several regions are not available (n.a.), while Corsica and the overseas départements and territories, where R&D activity is very low, have been amalgamated.

Source: Ministère de l'Éducation nationale et l'Enseignement supérieur et de la Recherche (Ministry of Education and Research).

and shed light on the crucial role played by synergies based on the proximity of research and development and production activities by technological field. Ultimately, it might prove necessary to remedy this divide or spatial disequilibrium. This need for new connections should have major implications for regional policies (closer ties to regional university research, network development, promotion of inter-regional co-operation).

As shown in the DATAR report, *La France puissance industrielle* (2003), the issue of decoupling industrial and scientific specialisations poses problems that differ from one region to another. The report identifies five groups of regions to characterise the balance between innovation and production capabilities in their own specific territory:

1. regions combining extensive scientific and technological expertise with substantial industrial potential: Ile-de-France et Rhône-Alpes;
2. regions exhibiting this type of balance between components with a markedly lower volume of activity: Lorraine, Bretagne, Centre;
3. regions whose industrial potential is relatively greater than their scientific and technological potential: Pays-de-la-Loire, Nord-Pas-de-Calais, Picardy, Haute-Normandie, Franche-Comté, Champagne-Ardenne, Burgundy, Aquitaine, Alsace;
4. regions where science and technology is more important than industry: Languedoc-Roussillon, Midi-Pyrénées;
5. regions with less activity in these fields: Limousin, Basse-Normandie, Auvergne.

Entrepreneurship

Renewal of the region enterprise base is not only a stimulus for innovation and emergence of industrial activities but also a driver of employment and wealth creation at national and regional level. Given the average ranking of the country for firm formation it is a main challenge for regional growth and national competitiveness policy. In France, the number of business owners in comparison to the labour force is among the lowest in the OECD area (less than 10% in 1998). Furthermore it declined steadily between 1974 and 1998.²⁰ Nonetheless, there are significant territorial variations regarding business culture. In 2002, predominantly urban regions demonstrated a ratio of establishments per inhabitant (5.6%) well above the national average (4.7%), while rural and intermediate regions were lagging (4.3% and 4.2% respectively). The thicker density of establishments in urban regions was due to the more intense presence of small establishments without salaried employees (Table 1.4). In contrast, the business structure of rural and intermediate regions was characterised by the higher shares (around 40%) of establishments offering employment to 1-9 salary earners. Regarding the shares of establishments of larger size there was almost no variation among the three regional types. Paris (13.1%) followed by Guadeloupe (9.2%) and Corse-du-Sud (7.8%) displayed the highest levels of entrepreneurship culture, while Nord (3.1%), Aisne (3.1%) and Pas-de-Calais (2.9%) were at the bottom of the relevant list.

Table 1.4. Distribution of establishments' population by size and type of region at territorial level 3, 2002

| Regional type | A (%) | B (%) | C (%) | D (%) | E (%) | F (%) | G (%) | Total (%) |
|-----------------------------|-------|-------|-------|-------|-------|-------|-------|-----------|
| Predominantly urban regions | 60 | 32 | 4 | 3 | 1 | 0 | 0 | 100 |
| Intermediate regions | 52 | 39 | 4 | 3 | 1 | 0 | 0 | 100 |
| Predominantly rural regions | 52 | 40 | 4 | 3 | 1 | 0 | 0 | 100 |

A = establishments with no salaried employees.

B = establishments with 1 to 9 salaried employees.

C = establishments with 10 to 19 salaried employees.

D = establishments with 20 to 49 salaried employees.

E = establishments with 50 to 249 salaried employees.

F = establishments with 250 to 499 salaried employees.

G = establishments with more than 500 salaried employees.

Guadeloupe, Martinique, Guyane and Réunion are not included in the calculations.

Source: INSEE, répertoire SIRENE.

The formation of new businesses in France have grown significantly after 2002. After a minor slump between the years 1997 and 1999 the pace of new firm formation accelerated with around 175000 new enterprises being created annually over the period 2000-2002. Recent studies indicate that this positive trend continued in 2003 and 2004.²¹ Construction, commerce and services to enterprises were the sectors accounting for of the new business creations during the period 2002-2004. The most performing *départements* (in terms of annual rates of pure creation of enterprises) include La Réunion (11.6%), Seine-Saint-Denis (10.1%), Guyane (9.9%), Paris (9.2%) and Guadeloupe (9%). In contrast, new firm formation was lower in predominantly rural units (the last 24 places in the relevant list were occupied by rural areas) with Cantal (3.6%) and Indre (4.2%) deviating the most from the national average (7.2%). The government has initiated for several years an active policy to stimulate firm formation through fiscal rebates, administrative simplifications and the definition of the young innovative enterprise status which gives a particularly advantageous fiscal treatment to this category of firms (see the 2003 innovation plan and the Dutreil law) which bear its fruit. The increasing level of bankruptcy since 2001 is a more preoccupying issue that pinpoint a recurrent problem in the country, the difficulty of very young firms to find capital for their development.

Skills

In 2002 the educational attainment of the French adult population (25 to 64 year olds) was just below 11 years.²² This figure was placing France in the 23rd position in the OECD area, well below countries such as Germany, the US or the UK, but above Italy and Spain. Nevertheless, the share of the adult population with tertiary education was around 25%, a value not dissimilar to that of Germany and the United Kingdom. Despite the relatively high

proportion of population with a tertiary qualification there are considerable regional differences in skills. Graduates are concentrated in Ile-de-France. Paris (44%), Hauts-de-Seine (35%) and Yvelines (30%) display the highest rates of population with tertiary education. In contrast, the fraction of graduates to adult population is 10% or less in Ardennes, Creuse, Indre, Haute-Marne, Nièvre and Orne. Similarly from Table 1.5, it is evident that the presence of graduates is stronger in urban regions (25%) than in intermediate (17%) or rural (13%). Rural regions tend to have higher proportions of population with no diplomas (22%) or only primary level education (21%), while lower fractions of the population fall into these categories in intermediate (20 and 17% respectively) and urban regions (18% and 14%).

Table 1.5. Distribution of adult population by levels of education and type of region

Per cent of adult population

| Type of region | No diploma | Level 1 | Level 2 | Levels 3-4 | Levels 5-6 | Total |
|-----------------------------|------------|---------|---------|------------|------------|-------|
| Predominantly urban regions | 18 | 14 | 30 | 13 | 25 | 100 |
| Intermediate regions | 20 | 17 | 35 | 12 | 17 | 100 |
| Predominantly rural regions | 22 | 21 | 34 | 11 | 13 | 100 |

Notes: Guadeloupe, Martinique, Guyane and Réunion are not included in the calculations.

Level 1 = primary education.

Level 2 = lower secondary education.

Levels 3-4 = upper secondary and post-secondary non-tertiary education.

Levels 5-6 = tertiary education. The education levels correspond to the categories of the International Standard Classification of Education (ISCED 97).

Source: INSEE.

Some inequalities were also observed across “zones d’emploi” in the qualifications of the personnel in industrial professions during the period 1990-1999.²³ Although regional convergence trends were recorded regarding the employees with general qualifications, the employees with superior qualifications remained dispersed. Similarly, no correlation was found between the initial level or the change in the qualification level of the territories and the evolution of employment figures. There was significant variation in the individual trajectories of “zones d’emploi” in relation to skills and employment dynamics.

1.5. Conclusions

The above analysis has described the new landscape in France. While in the past there was a particularly noticeable concentration of the population and employment in the capital region, the mobility of the workforce has increased with preference being given to the regions and peripheral cities as part of a residential driving force that in many cases is governed by transfer

mechanisms. Even though this rebalancing process is incomplete, it is significant and has produced a certain degree of deconcentration of employment. In the current context, attention is therefore directed at elements that might invigorate the French economy and in particular the innovation capacity of territories and modes of local government that might help to speed up development. A limited number of regions appear as the engines for national growth and in particular the capital region. Supporting their competitiveness is an important objective for the central government. The following two chapters will therefore examine regional strategies towards these regions and towards the others and evaluate the initiatives for a better co-operation between the different levels of government in order to respond to the current challenges of competition.

Notes

1. See Gravier.
2. 2001 statistics, source: INSEE.
3. The Ile-de-France (12.6%) and Nord-Pas-de-Calais (11.8%) attract the largest share of FDI, which is mainly directed towards the car industry, services and new information and communications technologies (ICTs). The Rhône-Alpes region (9.4%) has regularly ranked among the five leading beneficiary regions over the past six years, and the electronics and telecommunications sectors have consolidated the position of the Provence-Alpes-Côte d'Azur region (7.7%) since 2000. Two border regions in the North-East of the country – Lorraine (7.9%) and Alsace (7%) – complete this list of the regions that attract the largest shares of FDI.
4. The population dynamic of the Ile-de-France, Nord-Pas-de-Calais and Haute-Normandie regions, all three of which have a large migratory deficit, is basically related to a higher than average natural population growth balance.
5. See the Groupe Olivier report, June 2004, cf. www.groupe-olivier.org.
6. INSEE has identified eleven “senior metropolitan functions” found primarily in major urban areas which epitomise vigour and project a positive image in order to classify the sphere of influence of major cities. In addition to IT-related technologies, such functions include *inter alia* banking and transport. Related jobs are: a) artistic and highly-skilled artistic employment; b) management and highly-skilled jobs in IT; c) IT engineers and managers in industry; d) R&D engineers and managers in industry; e) public-sector researchers, senior positions in research establishments and higher education; and f) managers of firms supplying services to industry, post and telecommunications engineers and managers.
7. As the DATAR report notes, the borders between rural and urban areas are somewhat blurred and the results are strongly influenced by the criteria used. France uses the concept of urban areas and areas of employment in rural areas which gives priority to the relationship between work and home. The concept of living basins relates more to the supply of services and yields higher figures for rural areas by including small and medium-sized cities. Similarly, some periurban areas surrounding major urban areas have population densities and levels of service supply comparable to those in certain rural areas.

8. *Quelle France rurale pour 2020 ?* DATAR, 2003.
9. This trend must be viewed with caution since the demographic analysis based on a different type of zoning, namely living basins (INSEE 2003), shows that out of 605 living basins whose population declined between 1990 and 1999, 60% could attribute this decline to the migration balance or to the combined effect of a negative migration balance and negative natural change. Within these basins, whose combined population amounts to around 4.4 million, outflows exceeded inflows by 150 000 between 1990 and 1999.
10. See INSEE Première, No. 726 (July 2000).
11. Localisation of Economic Activities and State Strategies, June 2005.
12. Globalisation And Regional Performances: The Effect Of Trade Openness, GOV/TDPC/TI (2003)4.
13. The degree of international openness of a country is measured as the sum of the value of its exports and imports as a percentage of GDP.
14. See *Délocalisations et réductions d'effectifs dans l'industrie française*, P. Aubert and P. Sillard. Direction des Études et Synthèses Économiques INSEE. This study measures relocation presumptions. Relocations are detected when employment declines or disappears within an establishment while at the same time the imports by the group holding the establishment increase for the type of good concerned.
15. xDSL (primarily ADSL) technologies which use the traditional telephone connection; cable which uses the traditional telephone connection; cable which is naturally preferred for high-speed applications in countries with dense cable coverage; fibre optics links to the home (FTTH, Fibre To The Home) which is preferred by some actors; wireless technologies which are constantly evolving with WiFi (radius of up to 100 m), now followed by WiMax (radius of up to 20 km) and others which may strongly encroach on the so-called third generation of telephones; satellite access which offers slower speeds but universal coverage.
16. Observatoire des Sciences et des Techniques, *Éléments pour une analyse cartographique comparative: Les pôles de compétitivité en Europe*, 2003.
17. However, its contribution has not been the same in all eleven of the areas of competitiveness analysed. It was higher (17.6%) in educational software and lower in textiles (13.6%). In the fields of micro-electronics, telecommunications and optical IT, its contribution was lower than the average French share (15.9% and 15.7% respectively).
18. Scientific skills have been assessed in different fields including biotechnologies, medical science, physics, engineering sciences, mathematics and computer sciences. For each of these fields, skills in the regions have been measured by the share of scientific publications produced by the region. For technological skills, the fields that have been reviewed are the following: electronic/informatics, scientific instruments, materials and chemistry, biotech, industrial processes, transport and equipment and construction and public works. The indicator used is the number of patents that have been filed by inventors in the region to the European patent Office.
19. The Midi-Pyrénées and Ile-de-France regions devote 3.7% and 3.4% of their GDP to R&D, whereas expenditure on R&D in Corsica amounts to less than 0.3%. These regional differences became less pronounced between 1997 and 2002 (the coefficient of variation fell from 0.54 to 0.53) as a result of changes to the spatial allocation of higher education and public research.

20. OECD *Science, Technology and Industry Outlook: Drivers of Growth: Information Technology, Innovation and Entrepreneurship*, Special Edition 2001.
21. Virginie Fabre (2005) *La hausse des créations d'entreprises se poursuit en 2004*, INSEE Première No. 1002 – January 2005.
22. OECD, *Education at a Glance*, 2004, Paris, France.
23. See Frédéric Lainé, Bernard Morel and Michel Le Marois (2004) “*La qualification des métiers industriels dans les années 1990 : Évolution de la qualification et dynamique de l'emploi sur le territoire*” (Industrial activities and skills during the 90's: trends in skills and employment change in regions), Observatoire des Territoires, (DATAR). Provisional version. December 2004.

ANNEX 1.A1

Explaining regional economic performance: breakdown of GDP per capita

Economic performance varies significantly from one region to another. Only ten *départements* reported GDP per capita above the national average that of the 86 others remained below the national average. There are several reasons for this, some of which relate to the fundamental attributes of regional economies which determine whether the latter are more or less competitive, while another reason lies in the way in which regional populations and GDP are measured. Starting with the latter factor, it can be argued that alternating migratory flows have distorted the overall picture of spatial inequality. By living in one region and working in another, commuters increase the number of inhabitants (and reduce the GDP per capita) of the region in which they reside, while at the same time increasing the GDP (and therefore the GDP per capita) of the region in which they work. It is therefore important to take account of the impact of this form of migration in inter-regional comparisons of GDP per capita. Nevertheless, inter-regional differences in this indicator can also be a sign of regional disparities relating to basic economic aspects. Regional economies where labour productivity is higher usually report higher levels of GDP per capita. This high productivity may be attributable to specialisation in high value-added activities or better use of available resources (physical capital, human capital, etc.).

Similarly, employment rates reflect the efficiency of regional labour markets, with those regions that perform well usually reporting high rates. Lastly and above all, all things being equal, GDP per capita will be higher in regions where a large share of the population is economically active. Activity rates correspond not only to demographic parameters of the population (age structure, for example), but also to certain aspects of social development (activity rates for women, etc.).

The influence of the above-mentioned factors on GDP per capita can be analysed by breaking down the variable into these elements. GDP per capita (in logarithms) for a region can be expressed as follows:

$$\frac{GDP_i}{P_i} = \frac{GDP_i}{EW_i} + \frac{EW_i}{LFW_i} + \frac{LFW_i}{LFR_i} + \frac{LFR_i}{P_i} \quad \text{Equation 1}$$

Where P, EW, LFW and LFR respectively represent the population, employment in the region of work, the working population in the region of work and the working population in the region of residence. According to equation 1, the difference between GDP per capita (in logarithms) for a given region and the national average should be equal to:

Difference in per capita GDP = Difference in productivity + Difference between employment rates + Alternating migration rate + Difference between activity rates

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Liste of acronyms

| | |
|--------------|---|
| ADSL | Asymmetric Digital Subscriber Line |
| AII | Agence pour l'Innovation Industrielle (Agency for Industrial Innovation) |
| AMF | Association des Maires de France (Association of French Mayors) |
| ANR | Agence Nationale de la Recherche (National Agency for Research) |
| ANVAR | Agence Nationale de Valorisation de la Recherche (French Innovation Agency) |
| ARCEP | Autorité de Régulation des Communications Électroniques et des Postes (Regulatory Body for Electronic Communications and Post Office Matters) |
| ARF | Association des Régions de France (Association of French Regions) |
| CAR | Comité d'Administration Régional (Regional Management Committee) |
| CDC | Caisse des Dépôts et Consignations (A State owned financial institutions performing public interest missions) |
| CDCI | Comité Interdépartemental de Coopération Intercommunale (Departmental Commission for intercommunal cooperation) |
| CEA | Commissariat à l'Énergie Atomique (Atomic Energy Authority) |
| CESR | Conseil Économique et Social Régional (Regional Economic and Social Council) |
| CGCT | Code Général des Collectivités Territoriales (Regulatory framework for local authorities) |
| CGP | Commissariat Général du Plan (National Plan Commission) |
| CIACT | Comité Interministériel à l'Aménagement et à la Compétitivité des Territoires (Interministerial Committee for Territorial Competitiveness and Planning) |
| CNES | Centre National d'Études Spatiales (National Space Research Institute) |
| CNFPT | Centre National de la Fonction Publique (Public Sector National Center) |

| | |
|--------------|--|
| CNRS | Centre National de la Recherche Scientifique (National Center for Scientific Research) |
| CNRT | Centre National de Recherche Technologique (National Centre for Technological Research) |
| CPER | Contrat de Plan État-Région (State/Region Planning Contract) |
| CRITT | Centre Régional pour l'Innovation et le Transfert de Technologies (Regional Centre for Innovation and Technology Transfer) |
| CTE | Contrat Territorial d'Exploitation (Territorial Contract in rural areas) |
| DGCL | Direction Générale des Collectivités Locales (Directorate General for Local Affairs from the Ministry of Interior) |
| DGF | Dotation Globale de Fonctionnement (Global Operating Grant) |
| DIACT | Délégation Interministérielle à l'Aménagement et à la Compétitivité des Territoires (French Regional Agency) |
| DIV | Délégation Interministérielle à la Ville (Interministerial Commission for City Policy) |
| DNP | Dotation Nationale de Péréquation (National Equalisation Grant) |
| DOCUP | Document Unique de Programmation (EU Regional Programming Document) |
| DREE | Direction des Relations Économiques Extérieures (Foreign Economic Relations Office) |
| DSP | Délégation de Service Public (Public Services Delegation) |
| DSR | Dotation de Solidarité Rurale (Rural Solidarity Grant) |
| DSU | Dotation de Solidarité Urbaine (Urban Solidarity Grant) |
| DTA | Directive Territoriale d'Aménagement (Territorial Planning Directive) |
| ENA | Ecole Nationale d'Administration |
| ENS | Ecole Normale Supérieure |
| EPCI | Etablissement Public de Coopération Intercommunale (Public Establishment for Intermunicipal Cooperation) |
| EPIC | Etablissement Public à Caractère Industriel et Commercial (Public Institution of an Industrial and Commercial Nature) |
| EPST | Etablissement Public Scientifique et Technique (Public Scientific and Technical Research Establishment) |
| ERT | Equipe de Recherche Technologique (Technological Research Team) |
| ERM | European Restructuring Monitor |
| FNADT | Fonds National d'Aménagement et de Développement des Territoires (National Fund for Territorial Planning and Development) |
| GPU | Grand Programme Urbain (Large Urban Projects) |

| | |
|----------------|--|
| IFREMER | Institut Français de Recherche pour l'Exploitation de la Mer (French National Maritime Research Institute) |
| INRA | Institut National de la Recherche Agronomique (National Institute for Agronomy Research) |
| INSEE | Institut National de la Statistique et des Études Économiques (National Institut for Statistics and Economic Studies) |
| INSERM | Institut National de la Santé et de la Recherche Médicale (National Institut for Health and Medical Research) |
| LETI | Laboratoire d'Électronique de Technologies de l'Information (Laboratory for Électronic and Information Technologies) |
| LOADDT | Loi d'Orientation, d'Aménagement et de Développement Durable des Territoires (Law on Planning and Sustainable Territorial Development) |
| LOLF | Loi Organique Relative aux Lois de Finance (New Budget Law) |
| LOPR | Loi d'Orientation et de Programmation de la Recherche (Law on Research) |
| NTIC | Nouvelles Technologies de l'Information et des Communications (New Information and Communication Technologies) |
| OPAH | Opération Programmée d'Amélioration de l'Habitat (Housing Improvement Programme) |
| OPR | Organisme Public de Recherche (Public Research Organisation) |
| OST | Observatoire de la Science et de la Technologie (Science and Technology Observatory) |
| PASED | Projet d'Action Stratégique de l'État dans les Départements (Proposed State Strategy for "Département") |
| PASER | Projet d'Action Stratégique de l'État en Régions (Proposed State regional Strategy) |
| PAT | Prime à l'Aménagement du Territoire (Regional Planning Premium) |
| PCRD | Programme Communautaire de Recherche et Développement (EU R&D Programme) |
| PNDR | Plan National de Développement Rural (Rural National Development Plan) |
| PNR | Parc Naturel Régional (Regional Nature Park) |
| PRAI | Programme Régional d'Actions Innovatrices (Innovative Action Regional Programme) |
| PRES | Pôle de Recherche et d'Enseignement Supérieur (Pole of Research and Higher Education) |
| RDT | Réseau de Développement Technologique (Technological Development Network) |

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| RENATER | Réseau National de Télécommunications pour la Technologie, l'Enseignement et la Recherche (National Telecommunication Network for Technology, Training and Research) |
| RRIT | Réseau de Recherche et d'Innovation Technologique (Technological Innovation and Research Network) |
| SAIC | Service d'Activités Industrielles et Commerciales (Industrial and Commercial Department within Universities) |
| SCOT | Schéma de Cohérence Territoriale (Territorial Consistency Scheme) |
| SIVOM | Syndicat Intercommunal à Vocation Multiple (Multi Purpose Intercommunal Association) |
| SIVU | Syndicat Intercommunal à Vocation Unique (Single Purpose Intercommunal Association) |
| SRADT | Schéma Régional d'Aménagement et de Développement du Territoire (Regional Territorial Planning Master Plan) |
| SRDE | Schéma Régional de Développement Économique (Regional Economic Development Master Plan) |
| SRU (Loi) | Loi Solidarité et Renouveau Urbain (Solidarity and Urban Renewal Act) |
| SPL | Système Productif Local (Local Production System) |
| TER | Train Express Régional (Regional Train) |
| TGV | Train à Grande Vitesse (High Speed Train) |
| TIPP | Taxe Intérieure sur les Produits Pétroliers (Domestic Tax on Oil Products) |
| TRDP | Territoires Ruraux de Développement Prioritaire (Priority Rural Areas) |
| TPU | Taxe Professionnelle Unique (Single Business Tax) |
| ZFU | Zone Franche Urbaine (Urban Free Zone) |
| ZRR | Zone de Revitalisation Rurale (Rural Revitalisation Zone) |
| ZUS | Zone Urbaine Sensible (Distressed urban Zone) |

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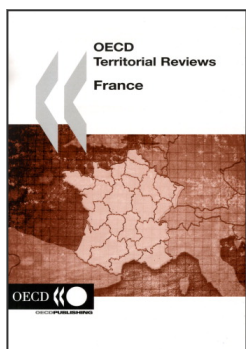
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From:
OECD Territorial Reviews: France 2006

Access the complete publication at:
<https://doi.org/10.1787/9789264022669-en>

Please cite this chapter as:

OECD (2006), "Trends and Challenges in the Territories", in *OECD Territorial Reviews: France 2006*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/9789264022669-3-en>

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