

CAEE

The case for agglomeration economies in Europe

Targeted Analysis 2013/2/1

Appendix C5: Lyon Case Study | 30 June 2010



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The partnership behind the ESPON Programme consists of the EU Commission and the Member States of the EU27, plus Iceland, Liechtenstein, Norway and Switzerland. Each partner is represented in the ESPON Monitoring Committee.

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INTRODUCTION

The Lyon case study will focus on four sectors that have experienced agglomeration in thirty last years:

1. Biotechnologies and life science
2. Petrochemical and environmental industry
3. Urban truck and bus
4. Digital entertainment, technical textile industries and mechanism and metallurgy

These have been identified through the consideration of the key sectors of the agglomeration, at once concerning rate of employment, sectoral public policies and marketing impact. In addition, these sectors are the subject of competitiveness cluster policy for supporting their economic development.

We have conducted interviews with elected members of the Greater Lyon, key respondents of technical services and economical agencies of the scale of the agglomeration. For example, we have met:

- A manager of the department of territorial strategies in the Chamber of commerce of Lyon
- A manager of the department for the development of companies and territories in the Region Rhone Alpes
- The director and a member of the Lyon planning agency
- A member of the economic observatory of the urban region of Lyon (OPALE)
- A manager and a member of the planning department of the prefecture of Rhone
- A manager in the Economic development agency of Lyon (ADERLY)
- A member of the planning department of the Lyon agglomeration (SEPAL)
- A member of the department of economic development of the Greater Lyon
- A manager of the planning and forecasting department of the Greater Lyon
- The director of the Urban Region of Lyon

The interviews will be structured to elicit the views of respondents for four complementary aspects of the research, based on and in agreement with the Dublin proposals:

- Influence of general contextual factors which will facilitate comparative transnational analysis (based on variables agreed by the consortium partners and summarised in the governance paper by James Rees), with a relevant historical frame for the thirty/ twenty last years.
- Relevance and impact of specific (and possibly unique) national and/or city-regional governance issues on sectoral policy and practices in the Lyon city region. This point should also evaluate the influence of forecasting, planning and networks of stakeholders on the development of the key sectors.
- The detailed recent operation of specifically city regional policy choices that aim to promote concentration of economic activity generally. This point aims to locate the concentrations of economical activities, for comparing them with spatial economic policies and for appreciating the distance between policy intentions and successful delivery of agglomeration aims in the key sectors.
- Understanding the constraints faced by, and opportunities open to stakeholders and enterprises attempting to promote, stimulate or capitalise upon successful agglomeration activities in the city region.

This presentation of the Lyon case study addresses at first, the situation of the economic development of Lyon during the thirty last years and particularly, the current situation. Some figures about Lyon and its metropolitan area will be done about population, wealth, employment and sectors of activities. Then, the presentation will be addressed the spatial impact of the economic change. In the last part of this section, the key sectors will be presented (method of selection, presentation and location, health of the activities).

In the second section, the economic and political system of the metropolitan area of Lyon will be addressed through a presentation of political structure in place, the governance and planning system and their evolution since the 1970s. The second part of this section will be dealt with the different policies impacting the local economic development and the agglomeration economies (clusters, land and property policies, transport and infrastructure, research and higher training, culture and urban projects).

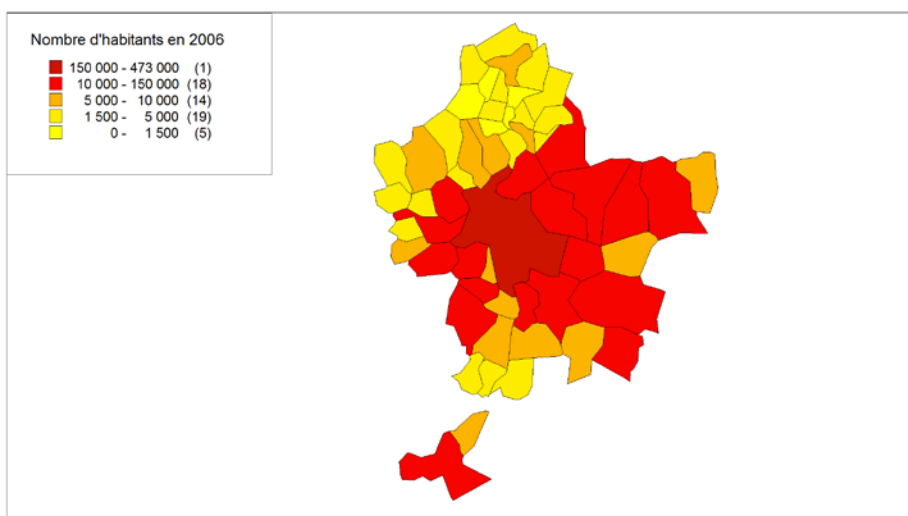
In the third and last part, the Lyon case study contributions will be presented with a critic of our system which will show the positive and negative points of our policies and governance structure.

1. GEOGRAPHY OF ECONOMIC CHANGE AND AGGLOMERATION ECONOMIES

a) Short presentation of Lyons agglomeration by some figures

1. To give an exact economic data analysis about Lyon and its surroundings is a recent thing. The national institute of statistics (INSEE) made a census of data about population, economic phenomena or employment at the scale of municipalities or employment area of the agglomeration but never at the scale of the Greater Lyon or the Urban Region of Lyon. The only solution to have information about the urban area of Lyon was to compile data about all municipalities of this territory. This issue was raised thanks to the Economic Development Scheme (SDE) in 2002, which contributed to put in place an economic observatory (OPALE) in the Town planning Agency of Lyon. OPALE provides data and analysis about metropolitan economic development, each business sector, employment and unemployment. These data are compiled at the scale of the Urban Region of Lyon, the urban area of Lyon and the Greater Lyon.

2. Lyon agglomeration is ranking number 3 in France for its population after Paris and Marseille, in terms of metropolitan area population. The Urban Region of Lyon, which concerns several other agglomerations such as St Etienne, Roanne or Bourg-en-Bresse had 2.6 million inhabitants, the Greater Lyon has about 1.2 million people and the city of Lyon 466 400 inhabitants in 2006. The density is about 2 410 inhabitants per square kilometre in the Greater Lyon and about 9 867 for the City of Lyon.

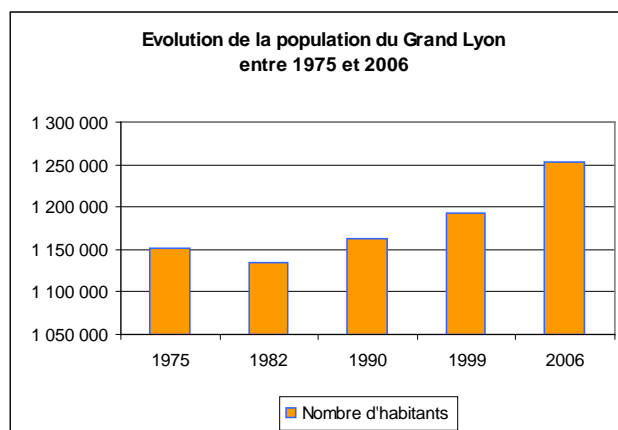


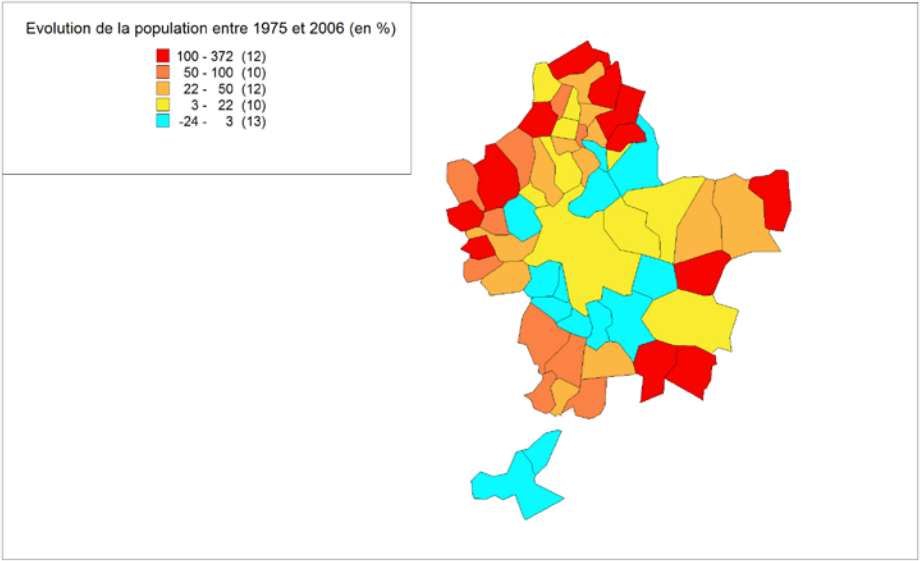
The Greater Lyon underwent a phenomenon of loosening of the population for the benefit of suburban municipalities and periurban area since the 1970s. It was particularly visible during the 1980s, where population of the Greater Lyon was decreasing. Currently, population gets back to the city centre following a policy of rehabilitation and beautification of the city in the 1990s and 2000s and thanks to social and living policies. Nevertheless, population continues to decline, or at least has a low growth on the first ring of municipalities which continue to suffer from a lack of accessibility by public transport and from a negative image.

Evolution du nombre total d'habitants sur le Grand Lyon entre 1975 et 2006

1975	1982	1990	1999	2006
1 151 158	1 134 705	1 161 962	1 193 384	1 253 178

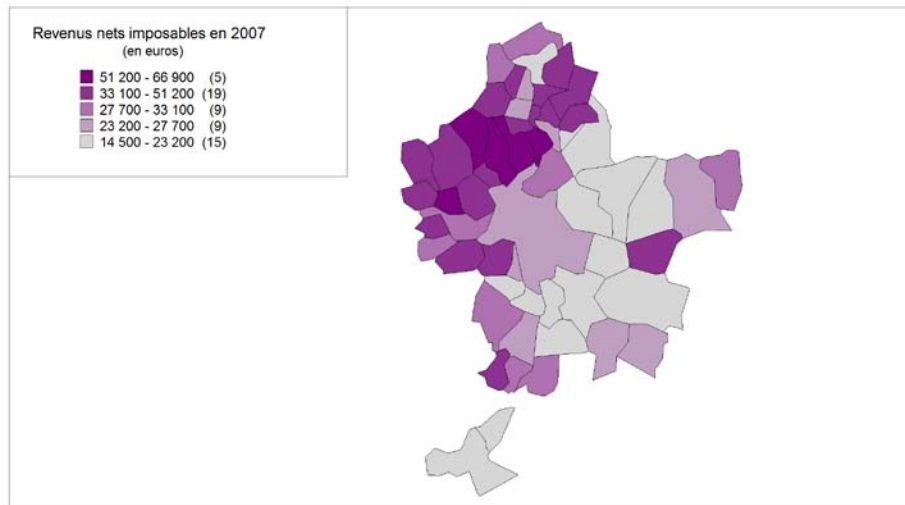
Source: INSEE





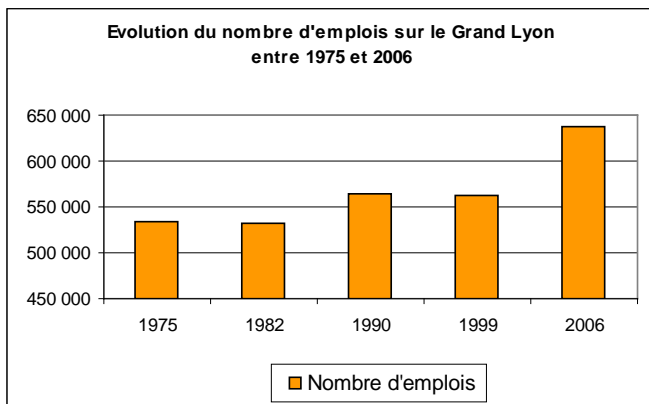
Since the late 1990s and particularly since the beginning of 2000s, a policy against urban sprawl has for consequence to oblige town planners to make city within the city and to put in place new urban projects on the basis of urban renewal principles. In parallel, the urban marketing policy which has for first objective to increase attractiveness of city to outside companies also had to vocation to develop a positive feeling among inhabitants. Marketing policy presents the assets of the city which appears as a pleasant city with public and green spaces, cultural policies and events, etc.

Broadly, Lyon agglomeration is rather well-developed concerning wealth with an average income per capita of 30 636 Euros (net taxable incomes in 2007). However, the gap between poor and rich people are often very important. For example, the municipality of Vaulx-en-Velin has an average income per capita of 14 525 Euros whereas the municipality of Saint-Didier-au-Mont-d'Or has an average of 66 803 Euros in 2007.

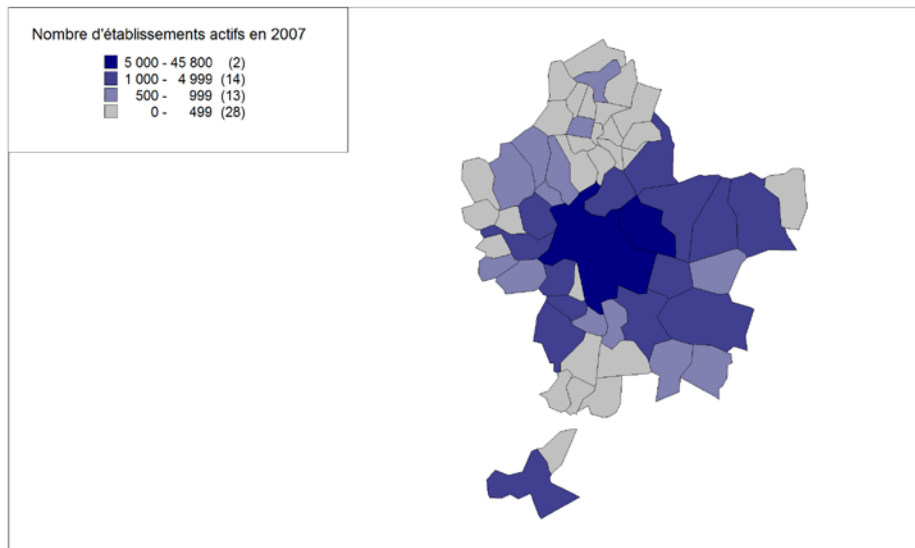
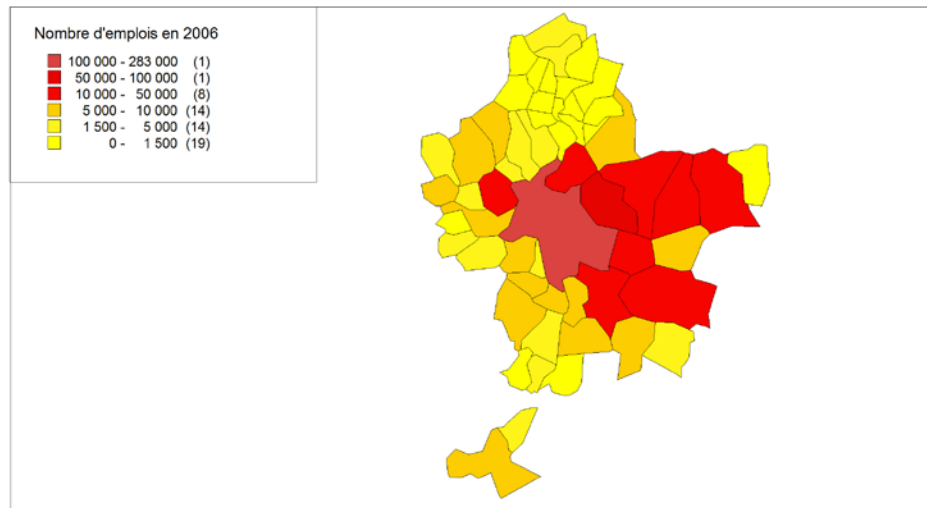


It is rather interesting to note that poor municipalities are mainly located in the east of the agglomeration and often are industrial municipalities. Land is mostly cheap and easily opened to urbanization. This part of the agglomeration is located near to infrastructures and industries which provide nuisances such as pollution, noise, industrial risks and land and property devaluations. Rich people get back to the city centre which became gentrified and are mainly located in the west side of the agglomeration. Land and property in this part of Lyon are really coveted and rather scarce. Indeed, land quality is reinforced by green and protected spaces and by the absence of nuisances due to infrastructures. Historically, urban and industrial developments always made towards the east part of the agglomeration.

3. Concerning activities, Lyon is ranking number 2 in France after Paris. The number of jobs has progressively risen since the 1970s with a drop at the beginning of 1990s (in 1992-93). The last decade has been particularly positive with a strong growth of more than 75 000 jobs. In 2006, the Greater Lyon enumerated about 637 000 jobs in its territory. The economic dynamics are often given at the scale of the urban area of Lyon which is larger than the Greater Lyon (see Map about the different boundaries of the metropolitan area). In the urban area, in 2006, 1.7 million inhabitants was recorded, 790 000 jobs, a rate of unemployment of 7 per cent. This area has a GDP of 62 billions Euros, that is an average GDP per capita of 35 700 Euros.



Nombre d'emplois total sur le Grand Lyon				
1975	1982	1990	1999	2006

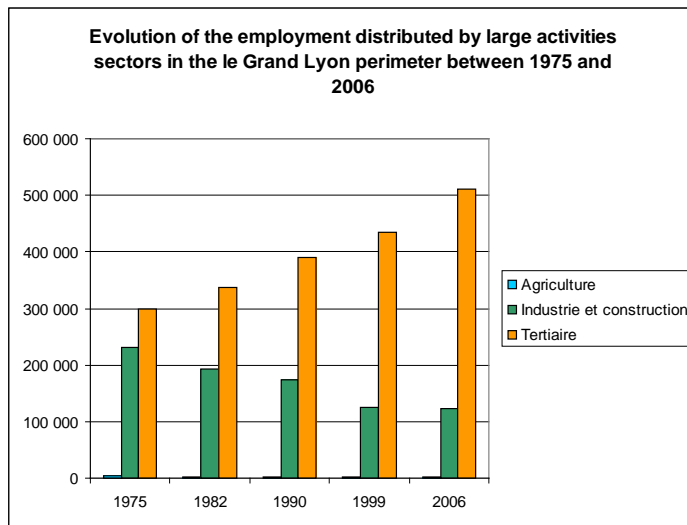


Broadly, the Lyon metropolitan area gradually shifted away from manufacturing towards service since 1960-70. Industry remains important in the agglomeration because a lot of service jobs are jobs for

helping production and industrial companies. Operational jobs and jobs in management stay the first job sector in the Greater Lyon (temporary work, security and safety, cleaning, customer relationship service centres, waster management and transport services, etc.).

The metropolitan area has the particularity to have a high density of companies with a strong presence of SMEs and SMIs and an extensive use of subcontracting by the big companies. This phenomenon is very visible in the case of motor industry and in metallurgy and mechanism.

At last, Lyon is characterised by a low sectoral specialization. The most sectors of excellence which can be identified, have historical roots from the 19th century. This lack of specialization helped Lyon to go through economic crisis.

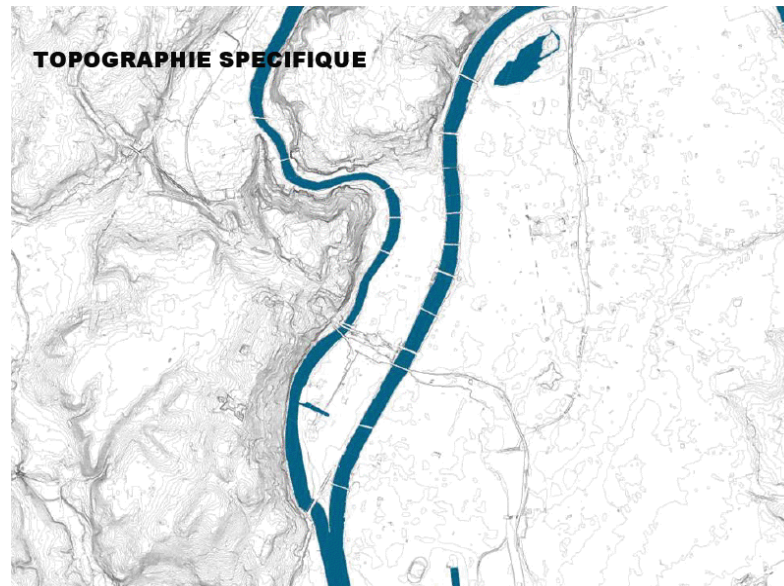


b) Local economy and the geography of economic change in Lyon

This second section completes the previous paragraph about the health of local economy. This section presents a territorial perspective of the Lyons metropolitan area economy.

1. Historically, implementation of activities has been highly constrained by the topography. As we can

see on this map, Lyon is located at the bottom of a hill which is a part of the beginning of the Massif Central.



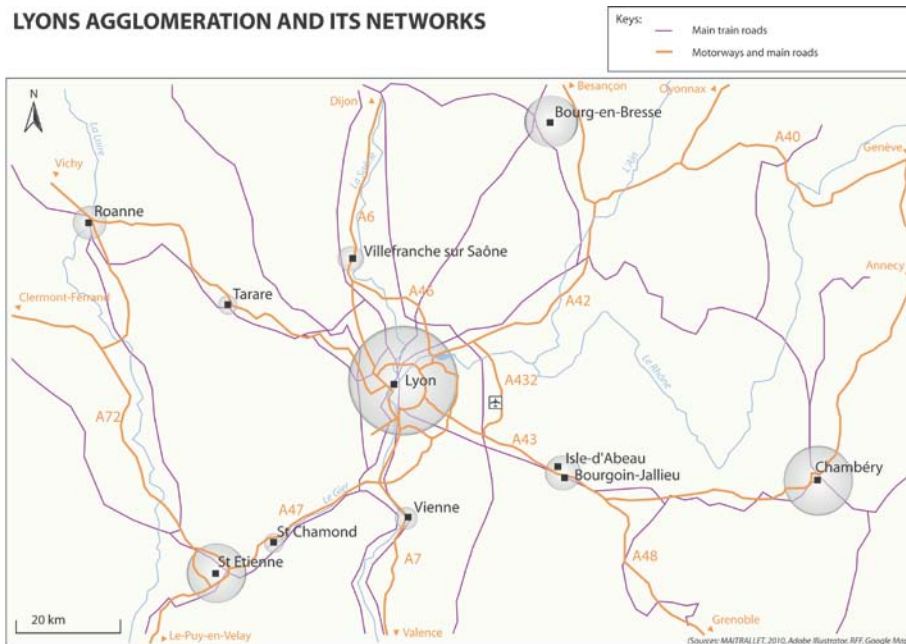
Accordingly, the development of industrial activities in the 18th and the 19th centuries made on the outskirts, in the *faubourg*, in the suburbs and later in the periurban areas but mostly eastward.

From the 19th century, some territories appear to be specialized in certain types of activities: textile industry is produced in the slopes of la Croix Rouse, chemistry settled along the Rhone River in the south of Lyon. Suburban municipalities of the Southern and eastern Lyon host heavy industries and a rather poor working class population. Currently, it appears that apart from the case of slopes of la Croix Rouse near to the centre which became gentrified since the 1970s and 1980s, the historical settlement of industrial activities still continues to characterize these municipalities.

In parallel, early 20th century, the other regional cities such as Roanne, Grenoble and St Etienne, begin to develop themselves. Quickly, these centres welcomed heavy industrial activities around textile industry for Roanne or coal extraction and manufacturing for St Etienne. From the late 19th century, links between Lyon and these cities was reinforced by the implementation of railways for transportation of passengers and merchandises.

This specialization of territories is strengthened from the 1970s through volunteer and incentive planning and land policies. The new directional metropolitan centre was decided at the Part Dieu in the 1960s and built during the 1970s. The south of the city is reinforced in its activities related to chemistry. Gerland, industrial working class neighbourhood, tended to specialize in new technologies related to biology and the health sector (implementation of the big and historic company Mérieux at Gerland in

1947). Industrial areas and later service areas are conceived in municipalities in the first and the second rings of Lyon (Caluire et Cuire and Rillieux la Pape, Neuville sur Saône, Porte des Alpes in St Priest, Technid in Limonest, etc.

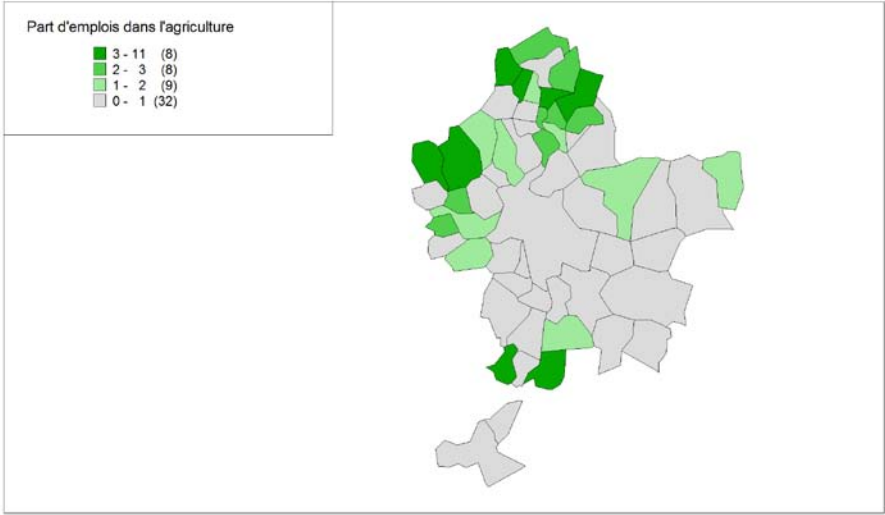


2. At the scale of Lyons metropolitan area and the Urban Region of Lyon, jobs are more concentrated and polarized than population. The secondary poles (St Etienne, Bourg en Bresse, Bourgoin-Jallieu, Villefranche-sur-Saone and Roanne) and the periurban areas between Lyon and these cities, develop activities from manufacturing to services and particularly to human services.

The growing presence of households with children in these periurban areas and the feminization of employment have caused this transformation. In addition, industrial activities and logistics, both space-consumer, are also developing in the outskirts of the agglomeration. The centres are more focused on urban renewal but for the benefit of the housing, shops, business and entertainment. Superior jobs stay concentrated in the heart of the city.

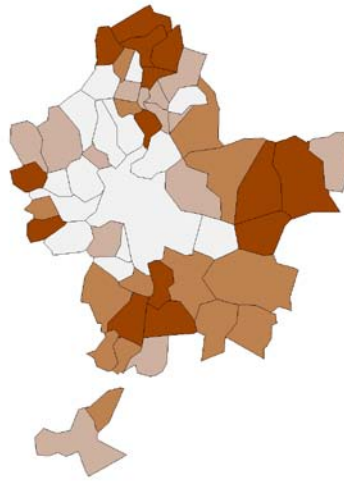
3. At the scale of the Greater Lyon, tertiary activities are mainly implemented in the centre and within business parks. The municipalities dominated by industrial activities are concentrated in the east part of the agglomeration where the development of space-consumer industries was easier than the west side of the metropolitan area (link with the topography). The other concerned municipalities are located in the suburbs along the river because manufactures need water for production.

Concerning the division between the types of activity sector, agriculture is low but stable, mainly located on the edge of the territory in the second and third rings, essentially in the west and in the north part of the Greater Lyon. Manufacturing is less and less important but keep an interesting basis in the municipalities located in the east side of the agglomeration and in the north and the south along the rivers. At last, tertiary activities are well developed in the Greater Lyon with 80% of the total activities.



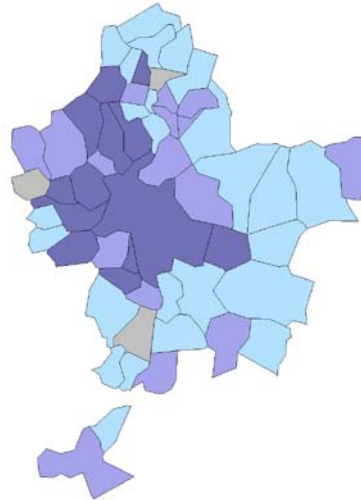
Part d'emploi dans l'industrie

- 31,7 - 61,6 (14)
- 23,8 - 31,7 (14)
- 15,2 - 23,8 (14)
- 5,7 - 15,2 (15)



Part d'emplois dans le tertiaire

- 85 - 100 (13)
- 75 - 85 (16)
- 50 - 75 (25)
- 0 - 50 (3)



Activities of services are specialized according to their distance from the centre and infrastructures. In the centre of Lyon, in Villeurbanne, in the North-west of the agglomeration (within 5km from the centre), there are subsidiaries of major groups, superior/ senior services or intellectual functions. In the case of the north-west area of the Greater Lyon, the presence of the axis A6 to Paris supports the existence and maintaining of business parks such as Techlid in Limonest. In the rest of the city, proximity to metro stations is also crucial in the choice of implementation of market services to companies, senior service, banking agencies and insurance. In the first and second rings of Lyon (between 5 and 15 km from the centre), we find service activities but more specialized in wholesale trade, logistics, supermarkets, automotive shops, etc. In this case, the presence of infrastructures such as roads and highways is also crucial.

The territories of the metropolitan area are characterized in economic activities by the type of activities and the different welcoming condition for companies they offer them. The territories welcoming high added value activities of excellence also benefit from the presence of centres of higher education (universities, Grandes Ecoles). In Lyon, there is a dominance of the technical Grandes Ecoles with a distrust of entrepreneur towards academics.

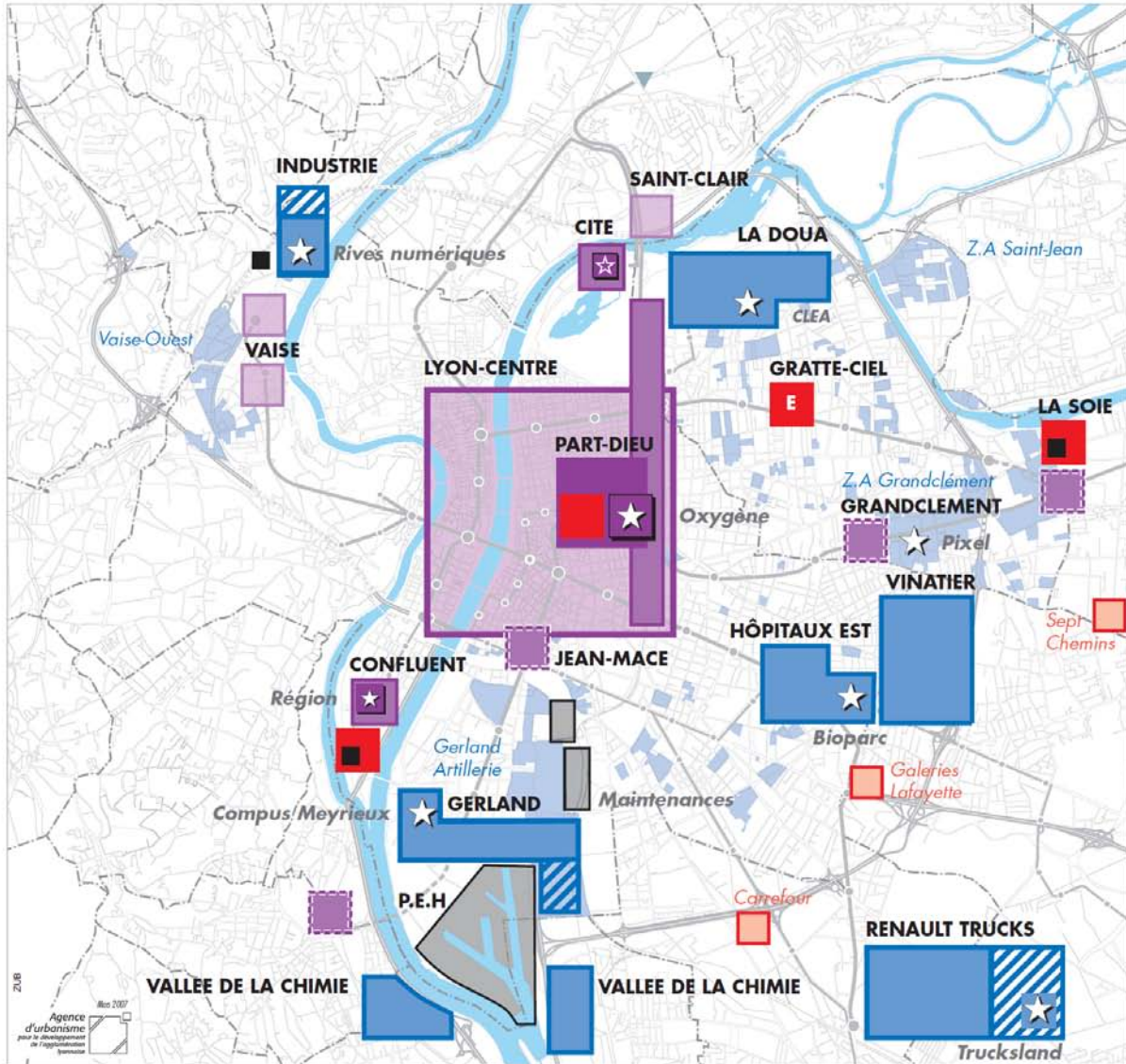
By geographic area, the site of the Lyon economy are:

- the hypercentre developed around commercial activities, special events and tourism
- the district of La Part Dieu is become the decisional and business centre of Lyon around a multi-modal node, the presence of business real estate, corporate headquarters and commercial activities
- the district of Gerland specialized in biotechnology with the presence of the University Lyon 1 and ENS International School
- the district of La Doua chemistry and biology with the presence of the University Lyon 1 and the Technological Institute
- The south of the town is specialized chemicals, petrochemicals and new materials.

This is interesting to note that despite this kind of territorial specialization, one activity sector is always divided between several areas. The Lyon agglomeration does not have phenomenon of clusterization in

its territory in the sense of the Anglo-Saxon definition. The settlements are always multiple. The services are present in one way or another, on the whole territory, the activities of biology and chemistry are among other located on the South of the agglomeration and on the North of Villeurbanne. Some activities are also divided between several urban centres. For example, textile activity is divided on the Lyon Urban Area and in particular, between Lyon and Roanne.

PDT CENTRE SCHEMA ECONOMIE



	PÔLE TERTIAIRE SUPERIEUR REGIONAL, AUTRE PÔLE TERTIAIRE SUPERIEUR		GRAND PROGRAMME COMMERCIAL, PÔLE COMMERCIAL EXISTANT
	PÔLE TERTIAIRE URBAIN		PROGRAMME COMMERCIAL A L'ETUDE
	PROJET DE PÔLE TERTIAIRE SUPERIEUR		PROJET DE MULTIPLEXE
	"CENTRE DE GRAVITE" DES PÔLES DE COMPETITIVITE, ET MARGES FONCIERES		SITE A VOCATIONS TECHNIQUES ET LOGISTIQUE
	PROGRAMME-PHARE		AUTRES TISSUS ECONOMIQUES

c) Keys sectors of activities

Lyon agglomeration is historically multi specialized with a large capacity of the urban area to support the emergence of new technologies that will serve other businesses or sectors rather than going directly to final markets. The example of textile is particularly tell-tale. Production and innovations concerning textile industry required development and innovations in chemistry. These advances have also influenced the medical world and the développement of health sector.

Today, the key sectors of the Lyons agglomeration are biotechnologies, environmental chemistry, the industry of urban trucks and bus, technical textiles, audiovisual industries and metallurgy and mechanism.

Broadly, we can say that these sectors were chosen because they have a significant number of jobs, good results in terms of added value and a real potential to develop products or technologies could spread across multiple markets.

During the last decades, this selection of sectors has slightly changed but biotechnologies, chemistry, textiles and metallurgy are considered in Lyons as the historical sectors of activities. The key sectors have been identified through the Economic Development Scheme (SDE) between 1998 and 2002. This work of identification was required in this Scheme to show some specializations of the agglomeration. It has been very useful in the elaboration of the marketing policy at the beginning of 2000s to put in place a best exposure of Lyon and its activities. The previous planning documents (Master Plan for the Lyons agglomeration in 2002, Technopole Plan of 1996), had already identified some key sectors. In the mid-1990s, we talked about Major poles of activities and micro-centre of excellence (Poles d'activités majeurs et Micro-pôles d'excellence).

During the development of the SDE, a quantitative work was done about all sectors then an qualitative analysis estimated the degree of specialization of Lyon on these sectors. Professional branches have participated in meetings. There were no big surprises because the historic sectors naturally re-emerged, such as pharmaceuticals and chemicals. Textiles in decline due to outsourcing is also apparent with a strong presence and lobby from the professional representatives. Conversely, the metallurgy / mechanical industries really efficient in terms of number of jobs were a little bit put aside because the branch was poorly represented. This will have later an impact on the height of financial aids allocated by the public sector.

- The biotechnologies:

This sector is historic for Lyon with a very old presence of the civil almshouse of Lyon (HCL) since 1802 and some well established companies like Mérieux which created in 1897 the first laboratory of microbiology.

Currently, 20% of national activities in biotechnology are conducted in Region Rhône-Alpes. It represents 60 000 salaried employees, 450 companies in Rhône-Alpes. The sector benefits from the presence of headquarters of big companies, such as Aventis, Sanofi-Pasteur, Merial, Boiron, Merck, etc. There are also the P4 laboratory and a large number of research centres in Lyon. 500 centres of research and 15 000 students.

The sector of activity is located in the district of Gerland (companies, research centres, superior training), around the hospital in the east side of the agglomeration (Biopark, HCL, training top, centre of cancer research, INSERM), La Doua in Villeurbanne (research centre, advanced training) and West Lyon (business and higher education).

- The environmental chemistry:

This sector is well established in Lyon since the 19th century. The Region Rhône-Alpes is ranking number 2 in France for this sector. It covers many different realities between petrochemicals and specialised products. On the basic chemistry (PVC, polystyrene), the activities are very capitalist with the production of large quantity. Nevertheless, the sector is less attractive and less profitable than environmental and specialized chemistry. On the specialized chemicals, activity concerns pharmaceuticals, nutrition, agro-chemistry, biotechnologies, etc. This part of the activity represents around 10 to 15% of operating profitability. The sector leans on big industrial groups and research centres. Investments in this domain are very strong with the presence of international companies such as Total, Arkema, Air Liquide, Bayer, Rhodia and Bio-Merieux. SMBs and SMIs stay weak with standard use of subcontracting. At present, the sector undergoes significant competitive pressure from countries of the east. Broadly, the image of these activities is fairly negative because of the important technological risks and pollution for South Lyon, but also by nuisances they bring about in terms of olfactory pollution and repulsive visibility, especially from the infrastructures. In addition, the oil refinery of Feyzin threatens to stop its activities by the 2020s. To cope with these negative points, the sector has decided to upgrade the sites by the destruction of old buildings, renovation of facilities, creation of green spaces and minimization of the nuisances by the washing of smokes and the covering of the sewage treatment plants. Moreover, from

the late 1990s, the sector has gradually changed to green chemistry in link with new materials and model factories.

The sector is located on La Doua in Villeurbanne (Lyon Tech, research centres, university), the Chemical Valley in the south of the agglomeration (companies, research centres (CNRS, IFP, ...) and Technological business Park of St Priest (companies).

- The industry of urban trucks and bus:

This sector is more recent than the two first. Its implementation began in the early 20th century by Berliet factory in Lyon then in Saint Priest. The factory will become Renault Trucks in the 1980s. The sector is closely linked with the motor sector which is also well established in the metropolitan area. In 1998, the sector has a total of nearly 12 000 employees in the urban area of Lyon. Investment rates are rather high and the industry strongly uses subcontracting with the presence of many SMEs in the Lyons agglomeration. This industry works with a few big national and international companies such as Renault, Irisbus or Alstom. The implementation of these companies is mainly located in eastern and south-east of Lyon. They are big space-consumer industries and naturally, they were able to find suitable land for their activity to the east of the agglomeration. These territories are indeed close to transport infrastructures (main roads, highways, railways, airport) and logistics platforms around Mions and St Exupery airport.

- Audiovisual industries:

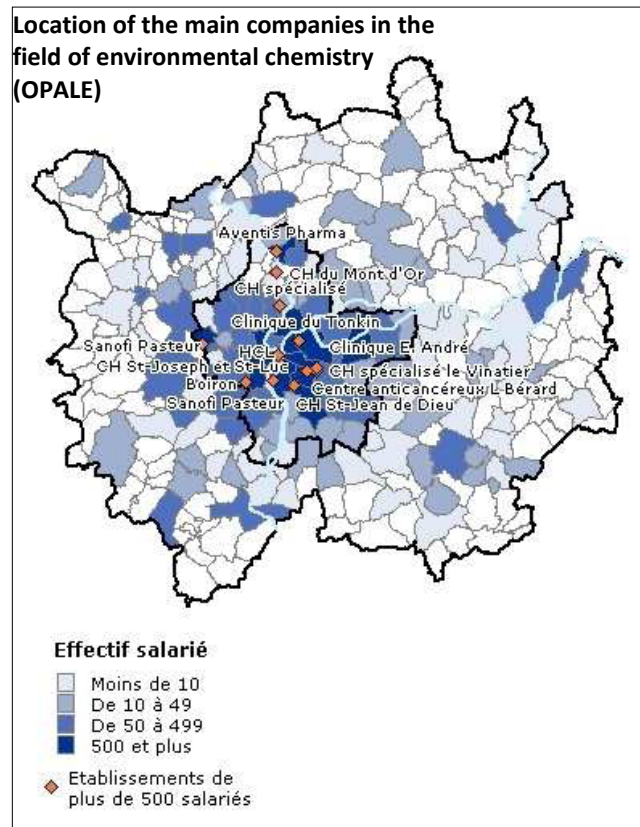
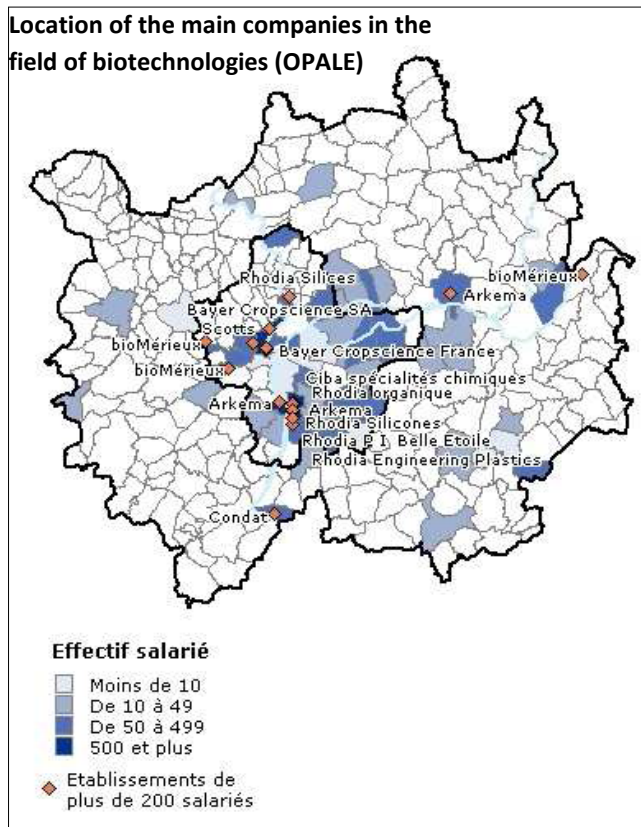
This sector is one of the more recent of the Lyon agglomeration. It began to develop in the 1970s and established in Lyon as rising industry from the late 1990s. It includes quite diverse realities ranging from information to video games. The sector counts on high density of services companies in Computer Engineering (software firm) capacity in tertiary computing, multimedia and the Electronic Document Management (EDM). Among the leading companies based in Lyon, we find IBM France and Infogrames. Moreover, the sector banks on 650 companies, 23 centres of research and 28 superior trainings. The companies are mostly located in the district of Lyon Vaise (businesses, higher education) and in the centre of Lyon. It is interesting to see that the sector tends to develop link with the other cities in the Region Rhône-Alpes, which can have know-how concerning a part of audiovisual industries. It is particularly the case with Grenoble, Annecy and Valence which have developed experiences and know-how in animation, comic book and innovative films.

- Industrial textiles:

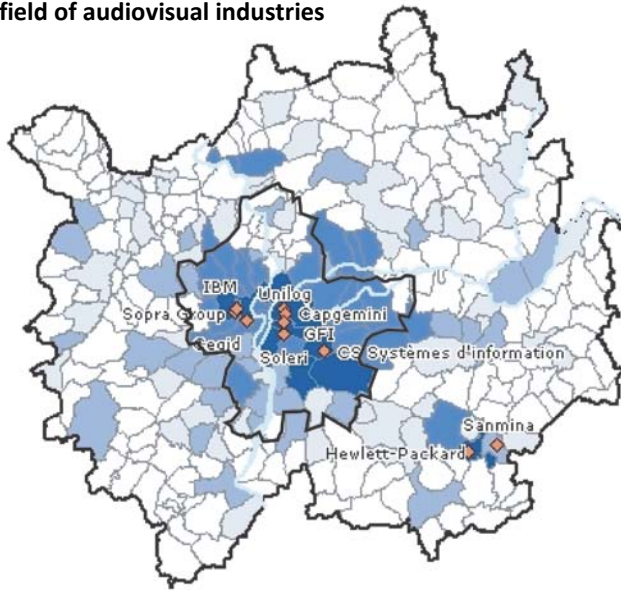
This sector is historically located in Lyon. From the 18th century, is developing a proto-industry about textile thanks to the silk trade. During the 19th century, a hierarchical production system was set up with the silky, the contractors and a networks of weavers subcontractors. These are the needs of the industry which helped develop the chemical activities, especially around the dye, and mechanism for improving manufacturing processes. Then, the activity spreads throughout the urban area of Lyon to reach Roanne which becomes a sort of second polarity on the subject. Manufacturing gradually leave the centre of Lyon and the slopes of la Croix Rouse for the benefit of modern factory on the outskirts. At present, textile industry in Lyon is loss since the 1980s due to competition imposed by countries with low labour costs. In Lyon, the remaining activity is an activity of creation and styling. The sector has also specialized itself in the 1990s in the industrial textile thanks to technical innovations. Research centres are present at Gerland and Vaise areas. The production is very spread through urban area and benefit from a strong presence of SMEs. Large groups and Rhodiaceta RPTextiles have disappeared in the 1990s.

- mechanism and metallurgy:

Finally, the last sector is the mechanical and metallurgical sector was formerly located in Lyon as well. He has contributed to the development of all other key sectors like textiles, chemicals, automotive and medical engineering. On the scale of the urban area of Lyon, the both sectors bank on almost 45 000 salaried employees and thousands of companies, primarily SMEs and SMIs which explains why subcontracting is widely used in this sector. Among the key sectors of the agglomeration, it is the only industry for workforce and with low value added, without financial support from the municipalities and without structuring of the professional branch.



Location of the main companies in the field of audiovisual industries

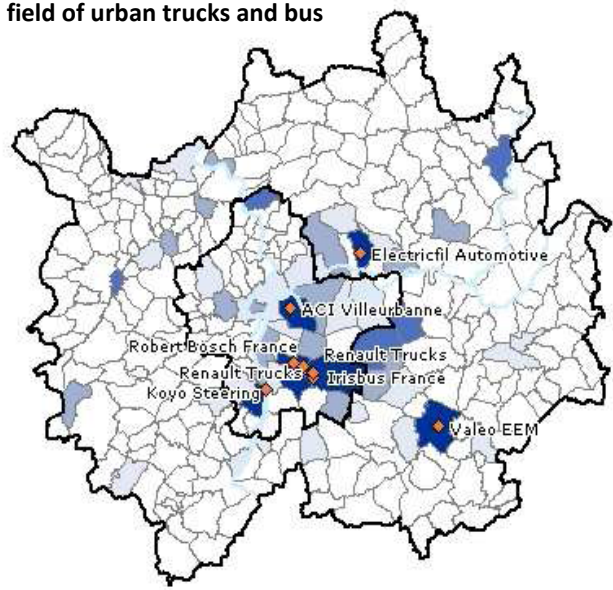


Effectif salarié

- Moins de 10
- De 10 à 49
- De 50 à 499
- 500 et plus

◆ Etablissements de plus de 300 salariés

Location of the main companies in the field of urban trucks and bus

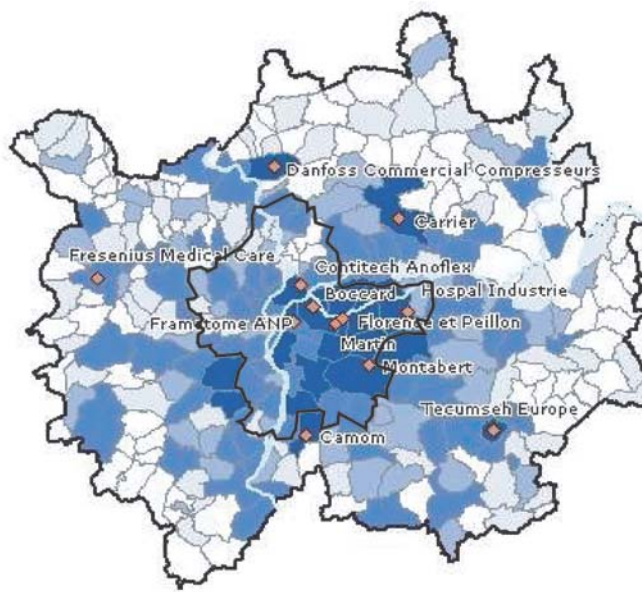


Effectif salarié

- Moins de 10
- De 10 à 49
- De 50 à 499
- 500 et plus

◆ Etablissements de plus de 300 salariés

Location of the main companies in the field of mechanism and metallurgy (OPALE)

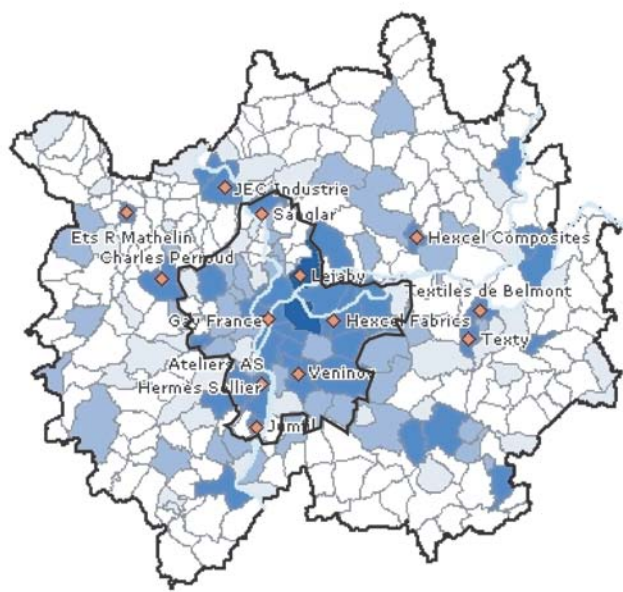


Effectif salarié

- Moins de 10
- De 10 à 49
- De 50 à 499
- 500 et plus

◆ Etablissements de plus de 300 salariés

Location of the main companies in the field of technical textiles (OPALE)



Effectif salarié

- Moins de 10
- De 10 à 49
- De 50 à 499
- 500 et plus

◆ Etablissements de plus de 100 salariés

Finally, Lyons agglomeration is a multi specialized metropolitan area. It is particularly efficient in terms of innovation. However, the agglomeration is unable to have a meaningful development from these assets.

"It is a "setting/ jewel box" land as opposed to territories" melting pot " that present opportunities for renewal and development for companies in terms of flows, finances, land policy, dynamism, ... Historically, Lyon by its endogenous capacities of traditional captain of industry has long been a figure of "melting pot" territory. However, at present, Lyon appears to be a territory "setting/jewel box" lacking sufficient resources for some major groups. The city lacks such devices in financial engineering. A Telltale sign of this abandonment is the departure of some headquarters of big groups during the last two decades (Rhône-Poulenc, Berliet, Volvo ...)" (Mr. Millet, Lyon CCI).

Now, policies and relationships established in the territory are designed to transform the status of the territory "jewel" territory "melting pot". The objectives include the maintenance of businesses bringing new jobs over the territory and the creation of a strong and permanent link between the major groups and the productive base. The arms of the town are its system of economic governance around the Grand Lyon, the traditional planning and policy cluster.

2. GOVERNANCE STRUCTURE AND PUBLIC POLICIES IN FAVOUR OF AGGLOMERATION ECONOMIES

a) The evolution of metropolitan governance in Lyons city region

The following narrative is structured by a key idea: the 20th century in Lyons was characterised by the constant progresses of the cooperation between municipalities at the metropolitan level, first thanks to the impulsion of local governments themselves and then due to the imposition of the central State of more ambitious forms of cooperation ; the most spectacular of this trend was the creation of the *Communauté urbaine de Lyon* in 1969, an inter-municipal cooperation consortium that had then progressively absorbed an increasing number of functions ; at the beginning, the cooperation was limited to utilities and urban networks management issues (urban transport system, sewage, water) ; it then enlarged to more strategic and political issues (planning, housing, infrastructures) and the scale of the *Communauté urbaine* (called today the *Grand Lyon*) became the essential scale for the construction of visions and strategies; nevertheless, the strategic capacity of the metropolitan institution has been for long essentially exerted on spatial planning and facilities ; it is only recently that the *Grand Lyon* had developed a capacity to elaborate strategies and implement policies in the economic field.

Late 60's/late 80's : The era of functional cooperation

Inter-municipal cooperation is a quite ancient practice in Lyons due to the tiny size of the core city, to the precocious urbanization of peripheral municipalities (Villeurbanne notably) and aborted attempts to absorb some of them. Inter-municipal cooperation was chosen as an alternative to amalgamation in the 1920-30's period and single-purpose inter-municipal consortia were created. This cooperation remained limited to functional and technical issues for a long time such as the development and management of networked urban utilities (public transport, water, sewage). From the beginning, the central State encouraged this collaboration. In the 1960s, it gave it a decisive boost by first imposing on 26 municipalities of the Lyon agglomeration the gathering in a multi-purpose inter-municipal cooperation consortium (SIVOM), and then by creating in 1969 the *Communauté urbaine de Lyon* (first called COURLY), an inter-municipal cooperation body endowed with its own assembly composed of municipal elected official designated by municipal councils, its own budget and tax incomes. The 55 communes gathered in the COURLY delegated most of their competences they previously exerted in urban utilities matters.

During the two first decades of its existence, the COURLY did not really modify the way the Lyons' style inter-municipal cooperation was working since the inter-war period. The cooperation remained essentially functional, focused on utilities networks management and with very low strategic and

political ambitions. The collective management of networks consented to maintain clientelistic bargaining games between municipalities. For instance, economic development remained a competence mainly exerted both by the central State and its field services and the representative organisations, the Chamber of Commerce mostly, with which the officials had relationships mixing distance and mistrust. Besides, the civil engineers and technical field services of the State still had the control of large urban projects and infrastructures (Part-Dieu and Perrache areas, outer high-rise social housing estates). Nevertheless, the institutionalisation of the inter-municipal cooperation enabled an « acculturation » of municipal elected officials and officers to the city-region scale.

Late 80's/2000's : the reinforcement of metropolitan institutions and scales and the new stake of internationalisation

In the 1980's, a rupture occurred with the passing of the decentralisation laws (1982 and 1983) that withheld the State control over local governments deeds and gave them new responsibilities in matters such as urban planning and economic development. In the case of Lyons, a neat rupture also occurred due to the election at the city and metropolitan level of Michel Noir, a young and ambitious Gaullist politician that became for a single mandate mayor of Lyon and president of the COURLY (1989-1995). He brought about innovations in three different fields: urban renewal, urban and metropolitan planning and internationalisation.

On the first aspect, with the assistance of Henry Chabert, the City alderman in charge of urban planning, he launched a series of policies aiming at enhancing the urban quality (architectural and urban heritage valorisation, regeneration of public spaces, flagship buildings) considering that it was an essential means to position Lyons favourably in the urban competition. These policies were first implemented at the core-city level with the renewal of the Old Lyons and the Lightning Plan but was soon extended, thanks to the COURLY (that became the Grand Lyon in 1991) technical services, with the launching of a single urban furniture policy at the metropolitan scale and the use of new tramways lines as a tool to regenerate public spaces throughout the agglomeration.

Michel Noir also relaunched planning at the Grand Lyon and the larger city-regional scale. He supported the master plan revision process initiated by the Grand Lyon Urban planning agency. Jean Frébault, the director of the agency was willing to import the new methods of city visioning and strategic planning and to overcome the spatialist vision of urban planning. He thus insisted on the use of the use of new visioning and prospective methods and conceived the plan revision process as a way to mobilise the local society and created an urban coalition. At the larger city-regional scale, Michel Noir decided to revive a scale the central State already helped to emerge through a series of studies and prospective

initiatives in the 1960s and 1970's : the city-region formed by the urban poles of Lyons, Saint-Étienne and the North of the Isère department (the area of the new town of l'Isle d'Abeau). In 1989, he created the Lyons Urban Region association (Région Urbaine de Lyon), a place where the decision-makers of the city-region might gather and define in a concerted way strategies of the metropolis. Today, the perimeter of the RUL extends to 4 departments (Rhône, Ain, Isère, Loire) and gathers almost 3 millions inhabitants. The RUL is the expression of a leitmotiv shared by Noir and the following mayors-presidents: reach the "critical size" in order to play in the same league with the other large European second cities.

Internationalisation was the third priority of Michel Noir. It was one of his main themes during the 1989 municipal campaign. During his mandate, he launched the Cité Internationale urban project designed by Renzo Piano.

Raymond Barre, ex Prime Minister and elected mayor of Lyon in 1995, put even more the emphasis on internationalisation. His status of ex Premier enabled him to organise a G7 meeting in Lyon in 1996. He manoeuvred to obtain the localisation in Lyons of the Interpol headquarters for Europe and the settlement of Euronews. He also obtained the move of the Ecole Nationale Supérieure from Paris to Lyons. He launched the first *Fête des Lumières*, a sort of urban lightning festival in order to capitalise on the know-how accumulated by the city on this matter. He also contributed to develop biannual festivals of dance and contemporary art and to foster the presence of Lyons in European cities networks.

Nevertheless, it has to be mentioned that during the Noir and Barre mandates, the City and Grand Lyon policies were limited to matters such as planning, infrastructures, culture and events. At this time, the Grand Lyon did not really get directly in economic development issues due to a lack of expertise and institutional culture dominated by planning and civil engineering. Economic development –and above all the development of the services sector which was the obsession of the 2 mayors- is conceived as proceeding from the enhancement of urban quality and infrastructures. As in many other French cities, the ideology of urban policymakers is dominated by a strong "estate tropism".

2000's/2010 : Grand Lyon gets into economic development

This last period is characterised by the impressively rising power of the Grand Lyon in the economic development field and the return of the central State in the very same field.

In 2001, for the first time, a leftwing mayor is elected in Lyons. The Socialist Gérard Collomb also became, as it is the tradition now, the president of the Grand Lyon (he was easily reelected in 2008). In spite of the change of partisan control, the new mayor announced his will to govern the city and the city-region with the very same agenda of his predecessor. The main objective remained internationalisation of the city but Collomb adds a much stronger preoccupation for the economic development and the construction of a strong link with the local business elite. This new priority has had a strong impact on the power balance between the various local institutions. The Grand Lyon rose as the main actor in economic development relegating the Chamber of Commerce (CCI) to a secondary role. The Grand Lyons quickly reinforced its economic matters staff and his grip on the ADERLY, the economic development agency jointly owned by the Grand Lyon, the CCI, the local business association and the Rhône department.

Paradoxically, the return of the central State in the field of local economic development helped the Grand Lyon to impose itself as the dominant actor in this field. Indeed, since 2005, the central State has reoriented its regional policies around the “Pôles de compétitivité” initiative. This policy aims at labelling and funding local partnerships uniting businesses, universities and research centres working in the same domain and willing to foster the links between research and industry. Five poles have received the label in the Lyons city-region: « Lyon Biopôle » in the field of virology; « Axelera » in the domain of chemicals and environmental sciences; « Lyon Urban Truck Bus »; « Techtera » in the field of textile; « Imaginove » in the field of numeric leisure. The Grand Lyon economic development policy is today largely structured by the action in favour of these sectors.

b) Sectoral policies helping economic development and agglomeration economies

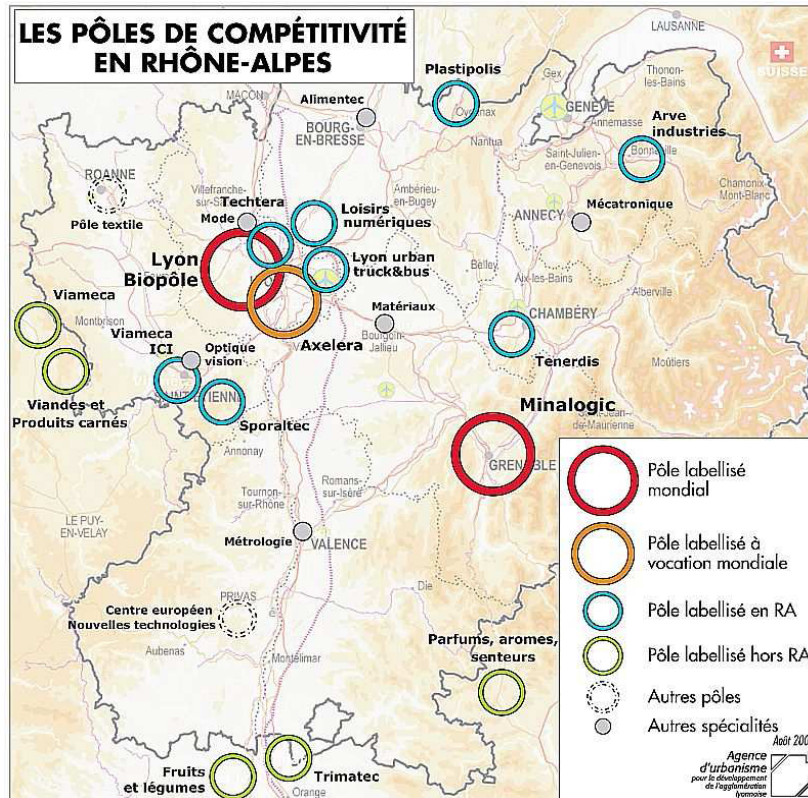
Apart from the introduction of planning documents related to economics, business networks or system of economic governance, Lyon is involved in a number of policies impacting the local economy. These policies include measures purely referred to economic development (policies of national and local clusters, land and housing policies) and urban and sectoral policies that indirectly impact on urban economic development such as urban marketing, urban projects, transportation, research and training, etc. The aim of all these policies is to place Lyon as a dynamic and radiant European metropolis for example by being ranked in the top 15 European cities.

Cluster policies

Lyon is the scene of several policies concerning support of economic development. The origin of these policies is varied from State to the Region or the Greater Lyon.

The cluster policies are born in the early 2000s. Since 2002, the Region Rhone-Alpes has introduced a dozen clusters called “cluster Rhone-Alpes” in aviation industry, roofing vehicles, biological products, renewable energies, broadcasting, software publishing, mountain industries, sports and recreation, health technologies, logistics, light and food processing. These clusters are designed to combine the different cities in the Region around sectors of excellence, through cooperation between big companies, the high density of SMEs, training and research centres. The ambition is to foster innovation and competitiveness of companies among regional cities. Indeed, each agglomeration of the territory of the Region Rhone-Alpes benefit from local skills and expertises, know-hows and specialities which can be complemented with the assets of another city. For example, Lyon and Grenoble complement each other around bio- and nanotechnology. At present, these clusters continue to receive financial subsidies through the planning contract between the State-Region, which particularly supports to develop accesses to markets, increase exports and encourage metropolitan cooperation concerning research and innovation. Financial implications are about 17 million Euros per year for the Region Rhone-Alpes and about 17 million Euros per year from the State.

These policies of “Cluster Rhone-Alpes” were quickly relayed by some other clusters called “pôles de compétitivité” and initiated by the State in 2004. Requests for proposals have been launched across France by an Interdepartmental Committee (CIADT) which establishes project requirements, gives seals of approval, follows the implementation and provides funding. In Lyon, 5 poles obtained the seal of approval “pôle de compétitivité” and in the Region Rhone-Alpes, 15 poles have obtained the qualification. This is the best Region in terms of number of seals of approval. The stake is to rely on innovation to create growth. To obtain the seal of approval, the pole should prove that they are particularly interested by activities of excellence and sectors with high productivity, high value-added, dynamic in terms of number of jobs, research and higher education. The principle is the capacity of innovation of one company is resulting from its own resources and ecosystem. The Interdepartmental Committee (CIADT) distinguish worldwide clusters which concerns sectors with high add value and development potential from national cluster which have a good dynamism but with a limited resonance to French boundaries. In the case of Lyon, the five clusters created were Biopole Lyon (Biotechnology), Axelera (green chemistry), Techtera (technical textiles), Imaginove (audiovisual industries) and Lyon Urban Trucks and bus.



To detail the different national clusters “poles de compétitivité”, in place in the Lyons agglomeration:

Concerning Lyon Biopole¹ and infectious diseases, the cluster is specialized in the diagnostics and vaccines. The cluster is founded upon the expertise of the Lyon and Grenoble area strengthening the synergy between the complementary know-how of these two metropolitan areas.

« Since 2005, the cluster has supported some one hundred R&D projects. Fifty-three have already been accredited or are currently in the accreditation process. This represents a total of €125 million in investment and an estimated €43 million in public funding. In all, approximately €28 million in public funding has been obtained from the French State, local authorities, the ANR and the European Commission for 22 R&D projects involving approximately €87 million in investment. »

Concerning Axelera² and the clean technologies, the cluster is born under the form of an association created by the cluster’s founding members, namely Arkema, CNRS, IFP, Rhodia and Suez. The activities

1 <http://www.lyonbiopole.org/accueil-1-1.html>

2 <http://www.axelera.org/srt/axelera/home>

of the cluster, which has more than 170 members to date, are focused on 12 R&D (Research & Developments) programs, implementation and equipment projects and 'Strategy and Prospective' missions. The main objectives of the cluster are:

- Ensuring the development of collaborative technology projects
- Helping you to integrate into the Chemicals and Environment network
- Offering you personalized innovation assistance
- Helping you to obtain additional financing
- Assisting you internationally

About Lyon Urban trucks and bus³, the cluster has potential of 3 500 researchers in R&D, 60 projects representing 200 millions Euros and a weight of Renault Trucks (5 000 people) and Iveco France (500 people) in the Lyon region. The founding members are Renault Trucks, Iveco France, the French Petroleum Institute, the National Institute for Research on Transport and Safety Research (INRETS), Grand Lyon, the Lyon Chamber of Commerce.

At last, the ability of R&D of more than 3 500 people: IFP, INRETS, CNRS, INSA Lyon, University Claude Bernard Lyon 1, Central Lyon, ENTPE, ECAM Lyon ...

Concerning Imaginove⁴ and the audiovisual industries, the cluster is specialized in cinema, audiovisual industry, video games and multimedia. The cluster has been created by Images Rhone-Alpes, Lyon Game and CITIA and benefits from 650 companies, 23 laboratories (16 R&D approved projects) and 28 higher trainings. The cluster aims to approve and subsidy research projects, to develop concrete actions for the needs of companies, to be the place of exchanges about cinema, audiovisual, multimedia and video games in link with research laboratories

At last, concerning Techtera and technical textiles, the cluster benefits from the participation of 100 members. 104 R&D projects are approved and subsidized with a complete budget of 76 millions Euros. The ambition of this cluster is to face up to the decline of the sector due to relocations towards the low costs workforce countries. To achieve this decline, the cluster puts in place a network between companies and centres of research in order to become the first European cluster in the collaborative R&D and about innovative textiles.

3 http://www.lutb.fr/Lyon_Urban_Truck_Bus.471.0.html

4 <http://www.imaginove.fr/front/index.php>

The last and most recent point about Lyon and cluster policies is the fact that the city is more and more seen as a research laboratory.

"With clusters, we are on future layout of mankind and the city (the health of tomorrow, the media society of tomorrow, urban transport of tomorrow, tomorrow's sustainable development). We are leaving the productive sphere. Some clusters have directly worked with the services and department of the Greater Lyon. There is a real multiplication of requests for partnerships. We have requests from industrial companies to directly test innovations on the City of Lyon itself. It is becoming a real market. The area of La Part-Dieu is becoming a metropolitan centre, that is why it is a privileged place to test these innovations. Conversely, if we want a sustainable city, we should test and encourage companies in their research "(M. Molin, Grand Lyon).

Clusters have been created to make the binding between the major groups, SMEs and research. Now, it appears that SMEs are a bit forgotten. Public money supports the major groups and sectors of excellence to the detriment of the industry.

Land policies and economic properties:

This type of economic policies is the second proactive and direct policy concerning the economic development in the metropolitan area of Lyon. The Greater Lyon which has the competence concerning the economic development on its territory, has developed, particularly through the planning effort, exclusive areas for implementation of certain economic activities. This strategy aims to develop a sector, through or not cluster policy, to create dynamic areas which could bring together the key actors of the same sector to share experiences, innovations and achieve agglomeration economies.

Moreover, in terms of marketing, areas where several complementary companies are implemented, may encourage other similar companies to locate there as well. This policy is particularly visible at the area of Gerland around biotechnology or Vaise concerning audiovisual industries. This is also an attempt of rejection of less qualitative activities in certain areas which is considered as more prestigious. The sectors of logistics or telecommunications are particularly concerned by this phenomenon of rejection because they are not bear by local authorities. Thus, when it is possible the companies from these sector are oriented towards lands or properties located beyond this type of area or sometimes beyond the metropolitan area. Today, economic development stakeholders such as the Grand Lyon, the Chamber of commerce of Lyon (CCI) or the Local economic agency (ADERLY) have for ambitions to offer companies of sector of excellence, some sites already equipped for a type of particular activity (land and buildings) which means directly equipped and operational for the implementation of companies.

Sectoral policies

Some other urban policies can impact the local economic environment. Their initial ambition is to provide a service, improve the city as a place to live and work. However, these elements also help urban marketing to develop an image of the city and its proper functioning and are indirectly used to make the city more competitive in terms of economic development. Among different policies which contribute to develop attractiveness, we can find policies about research and higher training, transport and infrastructures and culture, tourism, events and urban project.

Policies of research and support for universities and higher education

It is probably one of the activities the most subsidized in the metropolitan area. The State and the Region Rhone-Alpes provide significant subsidies to the development of higher education for universities and the Grandes Ecoles. One section of action and funding is included in the Planning Contract of State-Region about research and training. A Higher Education and Research regional Plan targets main axis which receive financial subsidies.

About superior training, the privileged axis are

- to articulate fields of excellence with the key sectors of activity and clusters
- to structure and reinforce the offer of training
- to internationalize superior education
- to promote and contribute sustainable land planning

The objective is to contribute to the success of students and metropolitan area attractiveness.

Concerning to research orientations, the axis of Planning contract of State-Region are:

- to support academic research in the sector of excellence for the development of the Region Rhone-Alpes by the implementation of clusters of research.
- to support creation and innovation

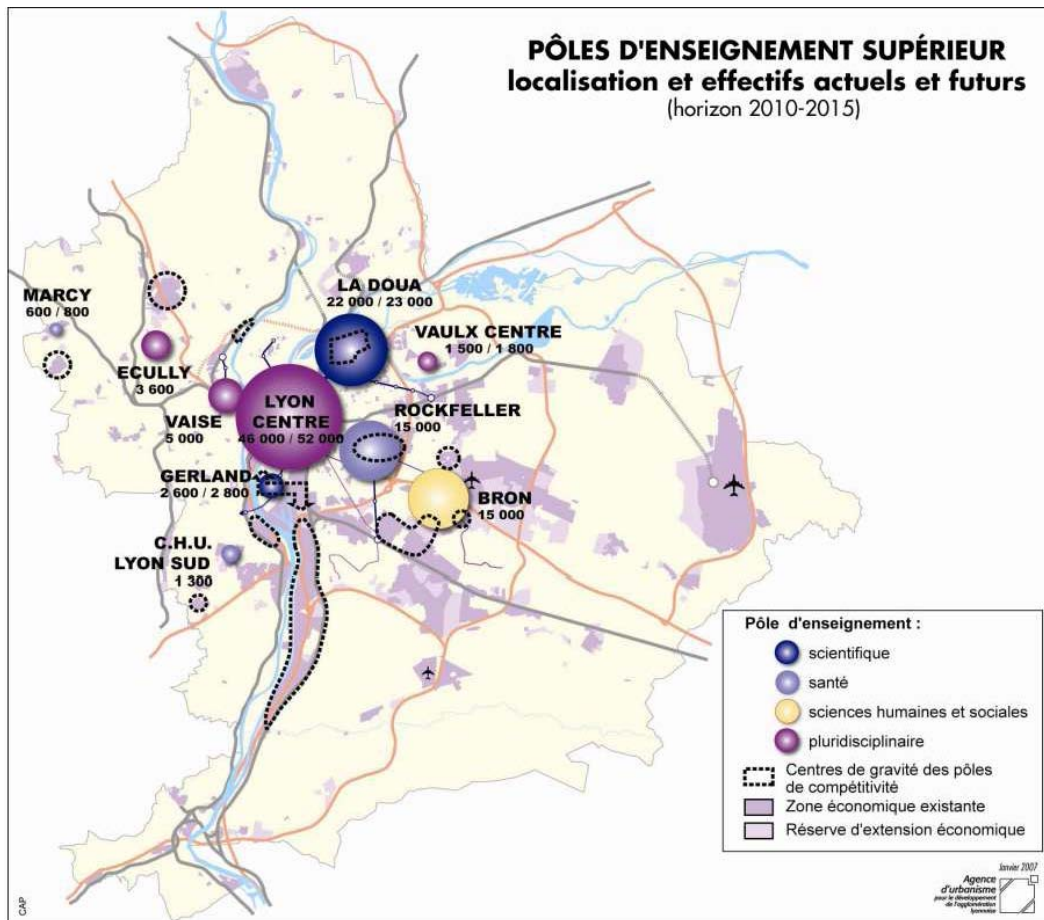
- to reinforce strategical coherence of the actions of international and connected cooperation

The financial Plan established is the following:

	State	Region Rhone-Alpes
Research operations	102.4 M €	114.4 M €
Scientific culture	5 M €	
Agronomical and veterinary field	1.729 M €	1 M €
Superior training	96.7 M €	96 M €

In addition, the State has established at the local level, some research and superior training clusters called PRES which aim to accompany the universities, the Grandes Ecoles and research centres in their developments essentially concerning their prestigious fields. This strategy is operated in link with the needs of their territory and local economic development. At present, this system seems to favour sectors of excellence including in science, linked to clusters to the detriment of the field of social sciences and vocational training. At last, this situation is called to be comforted in this orientation in few months. Indeed, the French State has incurred a big loan which will contribute to reflate national economy in this period of crisis. The big loan will be divided between different strategical sector of economic development such as investment, innovation or research and higher education. The problem is that money will be distributed in the field excellence through the PRES that is the field and the universities and the Grandes Ecoles already chosen by State to be financially supported will be more subsidised. The gap between pure science and social sciences fields will be more and more important.

Spatially, these policies for developing research and superior training and in particular in the field of excellence have reinforced certain key place of the agglomeration. Perfectly completing the strategy of cluster implemented on the territory, the sites of superior training are the city centre of Lyon which welcome the Universities Lyon 2, Lyon 3 and the catholic university of Lyon, La Doua around the pure sciences, Rockefeller and the medical trainings just next to the hospitals of the east side of the agglomeration and Bron with the implementation of the multi specialised University Lyon 2.



Policies of transport and infrastructures:

Lyon is located in a geographical crossroads with transport infrastructure networks rather well developed. Many projects have been planned thanks to the planning documents. Through the document of the Territorial planning guideline (DTA), the State continue to play an important role in the implantations of infrastructures (highways, ring roads, railways, airport). The local level (Greater Lyon, Department, Region) has limited resources to its territory and restricted modes of transport. But some examples of transport project emerge. Thus, the Greater Lyon plans to link Lyon to the airport by a tram-train. The Region Rhone-Alpes is updating its network of regional trains.

Concerning territorial economic dynamics, the black point is the airport of Lyon Saint-Exupéry. This airport suffers from difficult access, a lack of direct international lines, a terminal still under construction and the proposal to double runways in stand-by. This situation is partly desired by the State which keeps the majority of airport shares to control air space and urban development. However, a project envisages the next resale of the shares from the State to the Greater Lyon. This problem of airport development is linked to a vicious circle. Thus, the airport does not grow because there are not enough passengers but there are no more passengers because supply is not sufficiently developed. This lack of access interferes with the proper influence of the city. The airport of Lyon is the third French airport and the TGV station under the airport is considered as the third railway station for the agglomeration. In 2003, the airport and its TGV railway station saw more than 5.8 M of passengers. The airport knows about 115000 movements of aircraft per year. Frequenting has risen about 11% per year since 2004.

Broadly, the city is cautious in the implementation of transport infrastructure. A project concerning transport improvement put few years to implement and often to receive an important opposition from the neighbourhoods with the development of the NYMBY syndrome. The most recent example is without doubt the big opposition born around the project of ring road in the west part of the Lyons agglomeration. In spite of planning of this motorway in the late 1990s, a reference within the DTA and a real need of this way for the good development of the agglomeration, the opposition from the neighbourhoods and from the politicians of these rather affluent municipalities, the project has put more than fifteen years to be approved and has not begun to be built.

Policies of culture, tourism, events and urban projects

The marketing policies use every possible amenity to show all the nice aspects of a city and attract companies to settle there.

"We are witnessing a change in postulate. Until now, our vision of attractiveness was objectivist and materialist especially in terms of infrastructures (roads, airport, economic land, ...). Today, strategy is to target the man behind the entrepreneur. Tourism, marketing, leisure and culture are determinative for each. These elements are indeed crucial in choosing a location for the leaders. Of course, we (The Greater Lyon) continue to do the rest but in a more general perspective. " (Ms. MICHEL, Greater Lyon)

The city of Lyon and Greater Lyon benefit from a classification of part of the inner city in the world heritage of UNESCO. It is always difficult to estimate the impact of this classification on the economic development. In terms of tourism, it has contributed to the growth of visitors in parallel of improvement of cultural program with for example the Fete of Lights. At cultural events, the city hosts three events with an international resonance: The Biennials of contemporary art and dance and the Fete of Lights. The metropolitan area has a lack of special events which could attract visitors from other countries.

Marketing tends to use creative specialities of the city as well, such as our capacity and know-hows concerning gastronomy and creative fashion in link with the textile industry. Gastronomy benefits from products and raw materials from the hinterland. However, Lyon suffers from a lack of initiatives to take advantages of this field. This underutilization of this potential of the gastronomy in the production and distribution of finished products is regrettable for the metropolitan area of Lyon insofar as we are witnessing the development of the new middle classes in emerging countries which could be interested by this type of products from France. Thus, Lyons agglomeration could better use the name of Bocuse, famous chief cook, to propose local food products.

Moreover, in terms of business tourism, the city tends to develop its potential of welcome for business class and international events. Since the late 1990s, Lyon hosted a few major events such as the 22nd G7 summit between June 27 and 29th 1996 with 5 000 members of official delegations. The venue for this summit meeting was the Museum of contemporary Art. Some other diplomatic visits and exhibitions was in Lyon in this period such as the visit of the Chinese President in 1999 or the Forum of franco-japanese dialogue in 1997. However, it appeared during these events that Lyon was not enough equipped to welcome major events. A lack of up-scale hostels and infrastructures such as transport network and room for conferences. So, the municipality of Lyon and the Greater decided to complete its supply by providing a centre of congress and an amphitheatre in the International City, under construction at this moment yet. Today, the town has a centre of Congress, an amphitheatre of 3 000 seats and a exhibition park in Europo with surface area of 120 000 sq.m. It seems to be sufficient for the current needs of the city. Eurexpo stays difficult to access otherwise than by car. The recurrent problem of Lyon remains its lack of accommodations in particular with high standards (4 stars hostels). Now, the problem consists in a vicious circle because accommodation supply stays weak because the number of visitors is not growing. But the number of visitors can not rise if the offer is not enough important. Moreover, in terms of tourism, stays rarely exceed three days because there are not enough things to do or to visit. Hotels stay empty and less expensive during weekends.

A last, it is important to speak about the impact of urban project and architecture on the urban marketing and on the resonance of the city through the world. Major urban projects are also indirectly impacting the business world by becoming a showcase for the city abroad. Projects such as the

International City, the rehabilitation of la Part-Dieu or the Confluence by their importance, their architecture and programming become the image of Lyon through the world. Architecture becomes a showcase of projects and the metropolitan area. The city becomes the bearer of strong cultural references. To improve the impact of these urban projects, the intervention of international architects such as Fuxsas, Piano, Portzamparc, Viguier, Maas, etc , is often necessary. Moreover, these projects often thought in the principles of sustainable development which contributes to the positive image of the sites. The Confluence project was awarded in 2009 to bring in the WWF's Sustainable Neighbourhoods. The production of attractive and pleasant public spaces to meeting as the Banks of the Rhone and Saone also tend to give a good image of the city internationally.

3. LESSONS FROM THE LYON CASE STUDY

How have agglomeration economies shaped the geography of economic activity ?

- Current strong economic sectors are the legacy of a « *longue durée* » economic development history
- Agglomeration logics or trends are not a brand new phenomenon
 - Current clusters or agglomeration sectors were already existing at least 50 years ago (biotechnologies in Gerland, chemicals in the Chemical Valley, trucks manufacturing in Saint-Fons and Vénissieux)
- For each key sectors, there are several sites and not single agglomeration places
- Agglomeration logics are determined by dominant actors structuring their own subcontractors networks
 - Rather than by the interactions between firms of the same level (SMEs, « milieux innovateurs », technopolitan systems)

What level of institutional capacity and autonomy at city-regional level ?

- The leading actor is clearly the Grand Lyon, the multi-purpose intermunicipal cooperation body
 - High degree of fiscal autonomy
 - Wide range of functions operated and technical resources
 - Established political legitimacy despite (thanks to) a lack of directly elected legislative or executive body
- A capacity of Lyon and the Greater Lyon to exert an influence beyond its institutional limits
 - SCOT, RUL, DTA
- Multi-level governance arrangements and decision process not to be neglected
 - State, Region, Département
- The duo of the future : stronger metropolitan government and a central State governing through NPM devices

Have public policies played a role in promoting and shaping agglomeration economies?

- Since the 1960's, the central State regional policies have constantly favoured regional capitals and comforted the favourable geographical position of Lyons in Europe with key **decisions in infrastructures matters** that have had a strong impact on Lyons economic fortune.
 - DATAR and « métropoles d'équilibre » policy during the 1960's and the 1970's
 - Infrastructures (TGV, highways, port, universities, etc.)
 - Constitutive policies : promoting intermunicipal cooperation
 - Today : Plan Campus, Grand Emprunt, hospitals, pôles de compétitivité
- Agglomeration economies as « side effect » rather than direct and explicit objectives
 - Central State : creating clusters around large companies and universities (« pôles de compétitivité »)
 - Local governments : a real estate and planning vision of agglomeration economies
- Nevertheless, the Grand Lyon and central State policies tended to accompany the main trends of local economy rather than contradict them ; in particular, the deindustrialisation trend drove the policymakers to **neglect the role of traditional industries** (mechanics, metallurgy, textile) and their capacity to redevelop in a context of relocation of industry in Europe and to foster technological progress ; the awareness of this insufficiency of public policies is now emerging with the ongoing crisis.

To what extent city-regional governance contributed to economic development policies?

- A long tradition of planning and visioning devices has created shared visions, policy discourses that generate a collective identity and trust among private partners
 - The almost **continuous production of visioning and planning documents** since the 1960's at various scale (Grand Lyon and city region) has created not only a shared vision between policymakers but also a kind of predictability of public policies that proved to be an efficient way to secure private investment; in the same way, the strong grip of the public sector on land and estate issues generated trust among private actors; planning is a matter of producing policy discourses and those discourses have an impact on private actors behaviours.
- A rich device of data gathering and processing on metropolitan matters
- A capacity to deliver equipments, housing stock, public services
- A capacity to provide land, estate in a quite regular and rational manner
- The provision of a well-educated workforce
- Institutional thickness through redundancy, multi-level governance and inter-institutional conflicts

What lessons can be learned from the Lyon case study?

- Institutional thickness generated through planning, visioning but also redundancy and conflicts is important to create networks and trust
 - The cooperation/competition relationships between the various institutions that have a competence over economic matters (State, CCI, Grand Lyon, Rhône-Alpes Region) have

created “**institutional thickness**” that proved to be quite beneficial to the development of a shared vision of the future of the city region economy and to the declination of this vision in several policies (prospective, planning, marketing, inward investment, economic animation, infrastructures, research and higher education).

- A strong city-regional government gives possibility to articulate economic development policies with other policy fields (transport, equipment, housing, planning, culture, etc.)
- A same political leadership at both municipal and city regional level provides incarnation, projects, visibility and legitimacy
- A bias towards
 - A real estate, spatialist approach of agglomeration logics (local governments)
 - The Grand Lyon tends to reproduce of the traditional bias of local governments action in economic matter, i.e. **to privilege a spatial planning and estate approach of economic development.**
 - Policies targeting large companies and their links with university and research institutions (central State)
 - The lack of policies targeting existing SMEs
 - Now, the Grand Lyon also tends to reproduce the central State policies’ bias in the very same matter (those that can be found in the “Pôles de compétitivité”), i.e. to privilege an action toward large businesses and technological champions and to neglect support policies in favour of what constitute the bulk of the city region economies : small business and subcontractors.

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