



## **Workshop D – Western Europe: agglomeration economies in city-regions**

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## Western Europe: agglomeration economies in city-regions

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## Western Europe: agglomeration economies in city-regions

Strong arguments in favour of agglomeration economies:

- For attracting enterprises and talents
- For connecting universities/research centres/enterprises
- For having a mass effect on economic development
- For making a strong economy
- Etc.

## Western Europe: agglomeration economies in city-regions

Major trends :

- Strengthening of the MEGAs (and Capital Cities among them)
- Infrastructure policies (e.g. transport) aim at that result

But second rank Metropolis have the capacity to develop agglomeration economy too:

- They have already overcome their major handicaps (mono-functionality, etc.)
- They develop strategies based on their assets

## Western Europe: agglomeration economies in city-regions

There is a political issue about the spending patterns in Member States:

- Most of the investments serve the big Metropolis
- The rest is distributed without a real strategic choice between other Cities
- What development for middle and smaller size Cities? Should they privilege residential economy?

There is a difference in terms of spending patterns between centralised and decentralised political systems

## Western Europe: agglomeration economies in city-regions

The governance issue is fundamental:

- Although there is not a clear evidence of the link between the governance settings of the agglomeration and its economic development,
- many examples show that well organised governance systems (gathering local Authorities and favouring partnership) allow strong political decisions benefitting to the development of the whole agglomeration

## Western Europe: agglomeration economies in city-regions

Creative economy is a driving force for developing agglomeration economy :

- It is well adapted to the western economies: new consumption habits, production based on networks of producers sharing the risks
- High potential for export
- Etc.

Policies should create the conditions for clustering and developing creative economy