LES CAHIERS

DE L'INSTITUT D'AMENAGEMENT ET D'URBANISME DE LA REGION D'ILE-DE-FRANCE

Enjeux économiques pour l'Ile-de-France

Du régional au local

Contribution aux

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In this issue

Economic policy: a new platform

In the framework of today's economic context, employment, the reduction of unemployment and the acquisition of essential skills are among the primary concerns of Ile-de-France residents.

However, as this decade comes to a close, it is clear that it has not been particularly favourable to our region; like in other regions, there has been continued de-industrialisation, which has lead to a reduction in jobs and caused a rise in unemployment. Economic shifts have accentuated the social disparities between different territories, and our research activities are faced with increased competition from other European regions. Our small and medium-sized companies and industrial firms must be supported both in their efforts to capture markets as well as for the implementation of new technologies. Our financial market is crumbling.

With the support of regional partners, we would like to set new objectives and give new scope to our economic policy. We must obtain results with respect to employment and solidarity, and everything should be considered to achieve our goals. Substantial progress must be made to promote the region on an international scale, because Ile-de-France is cut out for becoming the leading region in Europe. This also holds true for innovation, as Ile-de-France is one of the foremost technological poles in the world. And with regard to solidarity, Ile-de-France residents must come together in the fight against all forms of exclusion.

The region has already increased its budget for economic development by 70%. A new platform of economic policy shall be defined, based on the proposals of the parties concerned regarding employment, and which have mobilised considerable contributions from public and private actors. The policy will also be structured around reflections and negotiations carried out in preparation of the Draft Contract.

The diagnosis hereby presented by the Iaurif is more than an evaluation. It is an analysis of the most recent economic and employment data in our region; it distinguishes initiatives, co-operative projects and economic development prospects on a local level and presents the challenges we are facing. The proposals set forth help elucidate the commitments that will be made to implement a more coherent and well-adapted policy. In short: more energetic.

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Position of European economic regions based on 4 criteria (*)

	Surface area (km²)	Population 1995 (in thousands)	Employment 1996 (in thousands)	GDP 1994 (in millions SPP)**	Unemployment Rate 1997 (in %)
Brussels	6 757	3 573	1 380	66 295	9.4 %
Rhin-Main (Frankfurt)	7 411	3 976	1 937	111 596	6.6 %
Randstad	5 973	6 786	3 057	128 319	5.2 %
London	10 390	10 640	5 304	226 775	7.8 %
Rhin-Ruhr	11 536	11 732	4 734	226 768	9.5 %
Paris - Ile-de-France	19 681	11 776	5 197	314 120	10.9 %

(*) The economic region or functional urban region is defined by identifying the surrounding communes, in which more than 10% of the working population works in the principal economic agglomeration on a daily basis. The boundaries of economic regions differ from administrative boundaries.

(**) S.P.P. : Standard purchasing power

Source: Eurostat data (from the last given figures), Gemaca methodology, Iaurif processing, 1998.

Economic activities in Ile-de-France in the 90s

In the late 80s, Paris Ile-de-France was one of the top regions in Europe with respect to its economic performance and competitiveness compared to other European metropolises. In addition to its significant economic and demographic weight, this favourable positioning has made Ile-de-France one of the principal economic regions in the European Union. However, during the 90s the region's economic context has changed radically and urged her to adapt herself.

Principal economic characteristics of Ile-de-France

A European economic region

Several indicators can be used to outline the leading region in France, beginning with its demographic importance. In March 1999, Ile-de-France counted 10.9 million inhabitants, or approximately 18.2% of France's population. The population of Ile-de-France is distinguished by a high birth rate and a low death rate, with a large number of inhabitants between the ages of 26 and 50. This favourable situation explains why the region contributes 45% of the nation's birth rate. Considering macroeconomic indicators, Ile-de-France represents about 22% of the country's salaried employment, or 4,717,000 jobs. In 1996, the region's Gross Domestic Product (GDP) was a reported 2.290 billion francs (349.11 billion Ecu), slightly over 29% of the country's GDP. The GDP per capita amounts to 207,000 francs (31 556.95 Ecu).

The "economic region of Paris", which extends beyond the administrative boundaries of Ile-de-France, is among the six principal economic regions in the north-west of Europe, along with London, Randstad, Brussels, Rhin-Ruhr and Frankfurt. Its weight is measured as much by the size of its population and the number of jobs as the regions of London and Rhin-Ruhr. However, although its GDP is the highest of the six regions, Ile-de-France is afflicted by a relatively high rate of unemployment.

A highly productive region

Ile-de-France is a highly productive region, with 550,000 companies in various fields such as industry, construction, commerce and services. The economic potential represents around 23% of the country's potential. A large majority of these businesses are small companies. There are few large companies (0.1% of the region's companies), however they provide 29% of the region's jobs and have considerable decision-making power in the dynamic framework of production.

Here is another characteristic revealed by works carried out by the National Institute of Statistics and Economic Studies (Insee) : one company in three (with 100 employees or more) has its head office in Ile-de-France, mainly in Paris and La Défense business zone. This concentration is even higher for companies with 500 employees or more, as nearly two in three are in Ile-de-France. Finally, the region attracts such a high number of foreign investors that Ile-de-France has a concentration of approximately 10,700 establishments controlled by foreign companies. These establishments employ around 440,000 employees, or over a third of French employees working for foreign companies.

A highly tertiary economy

A significant economic and urban region, Ile-de-France has a particular system of production built from a strong economic specialization. First of all, there is a predominant tertiary sector which employs 3,825,000 persons, or over

Ile-de-France, an international research pole

Ile-de-France has excellent potential in the scientific and technological sectors that makes the region one of the major international poles for research and innovation. This is confirmed through several indicators:

- 60,000 public and private researchers and engineers in Ile-de-France, which amounts to 5.4 researchers per 1,000 inhabitants and 11.3 researchers per 1,000 employees;
- 2.1% of the world's scientific publications are produced by Ile-de-France researchers;
- 2.9% of the world's registrations for European patents are registered by Ile-de-France;
- one French participation in two in European programmes includes a laboratory or company from Ile-de-France.

Source: Research in Ile-de-France – standing in 1998, Iaurif

Employment in Ile-de-France, by field of activity (01/01/1998)

	Employees	Regional share
Agriculture, silviculture, fishing	7 150	0.1 %
Industries, including:	666 700	14.1 %
Mining	4 200	0.1 %
Manufacturing	620 900	13.1 %
Production, distribution, electricity, gas	41 600	0.9 %
Construction	218 700	4.6 %
Tertiary, including:	3 825 100	81.2 %
Wholesale and retail trade, auto repair	631 400	13.5 %
Hotels and restaurants	191 600	4.1 %
Transports and communication	373 200	7.9 %
Financial activities	251 600	5.3 %
Real estate activities and business services	880 300	18.7 %
Public administration	536 100	11.3 %
Education, health, social services	673 500	14.3 %
Public, social, personal services	225 500	4.8 %
Domestic services	58 900	1.2 %
Extra regional activities	2 900	0.1 %
Total	4 717 600	100.0 %

Source: Insee, 6th ERF, processed by Iaurif, 1999

81% of the region's jobs (71% in France). The principal employment sectors include real estate and business services (880,300 employees), education-health-social services (673,500 employees), commerce (631,000 employees) and administration (536,000 employees). With nearly 670,000 employees, industry is a significant economic sector with high added value branches such as the electric-electronic industry (122,000 employees), paper-cardboard-publishing-printing (86,000 employees), chemistry (73,000 employees) or metallurgy and metal works (56,000 employees). The construction sector employs 219,000 employees, while agriculture, an intensive and high-performing activity in Ile-de-France, employs few employees.

Working population* by socio-professional category in 1998

	Ile-de-France		France
	employees	in %	in %
Farmers, artisans, tradesmen, business managers	267 900	5.6	10.1
Senior executives and intellectual professions	1 138 160	23.9	13.4
Intermediary professions	1 130 200	23.7	21.1
Employees	1 421 300	29.8	28.9
Working-class employees	811 900	17.0	26.5
Total	4 769 460	100.0	100.0

Source: Insee, employment survey, March 1998, processed by Iaurif
* Excluding conscripts for military service

In addition to sector-based concentrations, the economic system in Ile-de-France is based on four categories of functions that are specific in the region in relation to the province:

1- the central activities of a company (headquarters) and the services that are directly associated with it: finance, marketing, communications, business services
2- education, training, fundamental research and development;
3- trading functions: wholesale trade, transports-logistics, distribution, private and business tourism, telecommunications;
4- central functions of the state and regional administrative activities: government, central government services, local services.

Skilled labour

The highly skilled labour in Ile-de-France has long been an attribute in the region that has recently been reinforced by developments toward high value added economic activities such as research, management, information, consulting, etc. In 1998, the increasing number of executive management and intellectual professions nearly totalled that of employees (according to the nation-wide average, there are twice as many employees as executive management staff). On the other hand, there is a lower number of working class employees, whose number has been decreasing since the early 90s. In 1998, 38% of executive management and intellectual professions worked in Ile-de-France, a relatively stable figure in relation to 1990.

Chain incidences

The characteristics of the economy in Ile-de-France have had an effect on the labour market, living standards and the real estate market.

Significant economic and social contrasts

In December 1998, Ile-de-France counted 562,400 job seekers[1]. Unemployment decreased in 1998, following a slight rise in 1996 that stabilised in 1997. In March 1999, the unemployment rate fell to 10%. The improvement in recent months mostly benefited executive management, middle management and working class employees.

Even though unemployment in the 90s extended to socio-professional sectors that until then had been spared (executives and middle management), considerable contrasts between unemployment levels still remain. For instance, the unemployment rate among working class

(1) End-of-month job seekers category 1 (exclusing the ones who have a reduced activity under 78 hours per month).

employees amounts to 15.7%, compared to 4.8% among executives. Such significant gaps, associated with particularly high skilled labour in Ile-de-France, explains why the unemployment level is lower in Ile-de-France than in the rest of France. Although less pronounced, such disparities are also found among the working population with a temporary job. In 1988, 7.5% of working class employees had fixed-term or temporary jobs, 5% were employees and 2.8% concerned executives. There is a much sharper contrast regarding part-time employment: 19.5% for employees and 5.9% for executives. This also applies to women, who represent the majority in this type of employment, with the highest rate of unemployment especially among the working-class employees (34%).

A very wide range of living standards in Ile-de-France

The contrasts observed in the labour market are also reflected in the living standards. According to 1994 indicators – pre-tax income, disposable income and living standards per unit of consumption – Ile-de-France residents benefit from significantly higher living standards than the nation-wide average. This is due to the predominance of certain economic sectors and some of the most favoured social categories. Nonetheless, analyses conducted by the Insee indicate that the relative richness of the Parisian agglomeration overshadows significant disparities with regard to revenue distribution. The range of living standards is much more pronounced in the Paris region than in the other French regions, particularly in Paris.

An increasing number of service-oriented real estate

The changing economic system is reflected in the characteristics of the buildings occupied by Ile-de-France residents.

Office buildings are by far the type of buildings most commonly used by Ile-de-France companies. Nearly one Ile-de-France employee in two works in a company, the premises of which are principally used for office jobs; "pure" office space or combined premises made up primarily of offices.

Today, nearly 40% of employees are estimated to have office jobs, a 50% increase over the last thirty years.

The expansion of the service sector in the Ile-de-France labour market is not only attributed to the strong development of certain service activities – particularly business services – but also to the development of service-oriented functions within most fields of activities.

Social contrast reflected by unemployment rate(*)

Socio-professional categories	in %
Farmers, artisans, tradesmen, business managers	4.7
Senior executives and intellectual professions	4.8
Intermediary professions	7.3
Employees	12.3
Working-class employees	15.7

Sexe	in %
Men	10.5
Women	10.9

Age	in %
15-24	23.1
25-49	9.8
50 and over	8.7

(*) Average unemployment rate in Ile-de-France during the survey: 10.8%
Source: Insee, employment survey, March 1998, Ile-de-France, processed by Iaurif

Proportion of part-time working population

	Women	Women & Men
Executives	11.6 %	5.9 %
Intermediary professions	18.5 %	11.0 %
Employees	23.8 %	19.5 %
Working class employees	34.2 %	9.9 %
Total	20.6 %	11.8 %

Source: Insee, employment survey, March 1998, Ile-de-France, processed by Iaurif

Revenue and average living standards of households in 1994

Size of urban area	Monetary income per household before taxes	Disposable income per household	Standard of living (*)
100 000 - 200 000 inhabitants	95	95	96
Paris region (outside Paris)	129	126	126
City of Paris	131	125	141
Combined	100	100	100

(*) disposable income per unit of consumption (OECD scale 0.5/0.3). The change from income to standard of living takes into account the size of the household.
Source: 1995 family budget survey, processed by Insee Ile-de-France, 1998.

Employees per type of real estate in Ile-de-France

	in thousands	in %
Plant, workshop	457	10.1
Warehouse, depot	136	3.0
Retail store	301	6.6
Workshop and retail store	126	2.8
Office, teller, laboratory	2 137	47.0
Establishment with lodging facilities	277	6.1
Other public facilities	479	10.5
Construction site	134	2.9
Commercial travellers, representatives, canvassers	280	6.2
Transport	93	2.0
Other	127	2.8
Total	4 547	100.0

Source: 5th ERE, processed by Iaurif, 1998.

European economic regions trends in the 90s

	Annual population growth 1991/1995	Annual employment growth 1990/1996	Annual growth of GDP* 1990/1995	Unemployment rate among youths 1997 (< 25 years old)
Brussels	0.3 %	-0.7 %	5.2 %	23.7 %
Rhin-Main (Frankfurt)	0.9 %	-0.4 %	5.5 %	9.7 %
Randstad	0.8 %	1.3 %	5.3 %	7.2 %
London	0.6 %	0.3 %	2.6 %	13.5 %
Rhin-Ruhr	0.4 %	-0.5 %	4.5 %	12.7 %
Paris - Ile-de-France	0.6 %	-0.5 %	3.8 %	19.5 %

(*) GDP according to the Standard Purchasing Power (SPP)
Source: Eurostat data, Gemaca methodology, Iaurif processing, 1998

Working trends of Ile-de-France residents in the 90s

	1990	1998	1990/1998 employees	1990/1998 in %
Working population + job seekers	5 181 362	5 372 030	+ 190 670	+ 3.7 %
Working population*	4 777 730	4 699 210	- 78 720	- 1.6 %
Part-time	437 660	627 870	+ 190 210	+43.5 %
Temporary jobs**	196 710	289 235	+ 92 525	+47.0 %
Unemployed persons	366 760	574 275	+ 207 515	+56.6 %

* excluding conscripts called up for national military service
** fixed-term contracts, temporary jobs, apprentices, assisted training periods and contracts
Source: Insee, 1998 Ile-de-France employment survey, processed by Iaurif

For example, one third of the employees in the industrial sector in Ile-de-France work in the head offices of large companies, or in offices that deal with abstract industrial functions such as engineering, research, etc.
The expansion of the service sector also includes the activities classified in the commerce sector where only 40% of employees are on the premises while one third are assigned to business management 'office job' and 15% work in storage facilities.
Concurrently, the reorganisation of industrial companies in Ile-de-France has significantly reduced the number of employees who work in production buildings. At the same time, traditional plants have evolved into business facilities. Today in Ile-de-France, only one employee in ten works in a plant, workshop or business facility.
Considering the shifts in production in Ile-de-France, logistics tend to be taking over from manufacturing activities in industrial premises and in better served business zones. Nonetheless, although there is a considerable number of occupied building spaces, storage and cargo transhipment activities only concern 3% of employees in Ile-de-France.
One of the most striking traits of this pattern is the significant proportion of employees in Ile-de-France – nearly one-fourth – who work in administrative facilities in areas such as education, health, social services and where direct services are provided for the population in areas such as leisure, sales, catering. Although less apparent from a real estate perspective, certain service-oriented jobs play a major role in the region's economic activity. This concerns persons who work for companies that only use their premises as a support base in areas such as transport, customer services (cleaning, security, etc.) or construction sites. These fields of activity employ 11% of the working population in Ile-de-France.

Office buildings in Ile-de-France

In 1999, Ile-de-France counted 42.3 million m² of office buildings with a 93% rate of occupancy. The flexibility offered by this type of real estate resulted in many company relocations within this sector. In 1998, over 2 million m² were commercialised, which signifies that relocations took place in about 6% of the total surface area.

Dynamics of the economy in Ile-de-France in the 90s

Today, the economic situation in Ile-de-France is a result of strong developments over many years, however it is also attributed to recent trends which were observed following the economic turnaround in 1990. After this year, the region's economic indicators revealed a split in relation to the preceding years. Despite a recovery since 1994, the region's overall economic situation deteriorated, and Ile-de-France seemed to have felt the consequences of the slight economic growth even more than the rest of the country.

Pursuit of the globalisation of the region's economy and a required competitiveness

With the development and globalisation of the economy in Ile-de-France, the region production system is gradually coming into pace with the development of major European and international agglomerations. Today, the region's economic performance is increasingly similar to that of major metropolises. Considering this, the growth rate in Ile-de-France does not result from a linear mechanism, rather it is subject to increasingly marked economic fluctuations. The increasing globalisation of the economy in Ile-de-France positions the region among the principal European economic regions. However, it also exposes it to risks, such as a brutal turnaround of the economic situation or stronger fluctuations in the real estate market.
As globalisation continues to develop, the region must sustain its efforts regarding competitiveness in relation to its European competitors. However, over the last few years, Ile-de-France has observed a subdued global influence in traditionally powerful areas such as technological research, finance and the defence industry. This slow-down is confirmed in the Eurostat statistics, where the dynamism of the region since the early 1990s was not as well-oriented as that of Randstad, Frankfurt or London. Indeed, comparisons regarding population growth, employment, GDP since 1990-1991 and the 1997 unemployment rate have enabled experts to evaluate the dynamism of the economic region of Paris in relation to other metropolitan regions in the north-west of Europe.
By comparing these indicators, it can be observed that the classification of Paris Ile-de-France fell in each category compared to the second half of the 1980s. Its main difficulty lies in unemployment, notably among youths. The figures for

annual growth of GDP (+3.8% Ecu current value) and employment growth (-0.5%) place it in the second to last position among the six regions.

An economic dynamic running out of steam

A growing but more fragile working population

In the 90s, the development of flexible jobs and rising unemployment reorganised the working practices of the French and Ile-de-France residents.

Between 1990-1998, as the working population in Ile-de-France increased (+190,700), the number of jobs decreased (-78,700), while the amount of job seekers went up (+207,500). The unemployment rate higly increased between 1990-1994. However, following a period of fluctuations, the regional rate fell in 1998 and in the first quarter of 1999. The number of non-salaried workers remained stable.

Job flexibility continued to develop, both with regard to the duration of contracts as well as working pace and hours. Moreover, new types of contracts began to appear: functional flexibility, portage companies, employer organisations, etc.). Although such contracts are difficult to understand and not very widespread, they may expand rapidly in the coming years.

Expansion of temporary employment

In 1998, 6% of the working population in Ile-de-France had temporary jobs. In the recruitment spate of companies with over 50 employees, 60% of work contracts were fixed-term contracts; 6 job offers in 10 submitted to the National Unemployment Agency (Anpe) involved either jobs for under 6 months or a temporary position. In 1997, "assisted" jobs – created following the implementation of employment measures – represented 17% of the region's job offers submitted to the Anpe. Youths and less qualified persons are the most strongly concerned, however these jobs are extending to new categories, such as executives, middle management, 30-49 age group, etc. Today, many experts agree that such temporary jobs reflect a solid trend, and are no longer a single phenomenon based on the current economic situation. Between 1990-1998, temporary jobs increased by 92,500 positions, while permanent jobs fell by nearly twice as much (-171,000). Although there has indeed been greater job flexibility, fixed-term job offers are concentrated in a small number of economic activities. "Business services" (temporary jobs, advertising) rank number one, but only in a limited number of professions: artists, poll-taking agents, hotel/restaurant or construction staff, etc.

Working hours: a major change

Working pace and hours (part-time, flexitime, "à la carte", etc.) have changed significantly over the last decade. Between 1990-1998, the number of people working part-time rose by 190,200 (+43%), while the number of people working full-time decreased by 268,700. Today, 13% of the working population in Ile-de-France works part-time, compared to 9% in 1990. Two part-time employees in three work less than 30 hours per week. Furthermore, several sources of information (medical reports, work inspector reports, transportation experts, employee testimonies, company recruitment strategies, business opportunity policies) have observed a steady development in work flexibility (changing from one week to another, flexitime, days off, over-time, etc.) that is still difficult to calculate.

A slight employment recover since 1994

Beyond structural changes, annual employment growth in the 90s can be divided into two periods. The first, between 1990-1994, is marked by a sharp fall in the number of employees. During this period, France was undergoing an economic crisis following the turnaround in 1990. Since 1994, the region has observed a modest employment growth, especially in comparison with the reported growth in the provinces.

Increasing productivity is widening the gap with the provinces

The GDP in Ile-de-France was an estimated 2.290 billion francs in 1996. It continued to rise throughout the 1990s, but at a slower pace compared to the 1980s. The growth of production and the decrease in jobs between 1990-1996 resulted in strong gains in productivity. The apparent work productivity (GDP per job filled) rose by 3.8% annually in Ile-de-France from 1990 to 1996, compared to 3.2% in the provinces. The productivity gap in relation to the provinces widened: +43% in 1996 against +38% in 1990. The higher rate of work productivity in Ile-de-France in relation to the provinces is due to the reorganisation of the region's system of production. Nevertheless a significant part of the richness produced by Ile-de-France was redistributed to the provinces by means of social payments and taxes.

Youths in Ile-de-France: lower rate of young employees, higher rate in temporary jobs

In 1998, there were less youths in the 15-29 age group than in 1990, and the proportion that were provided schooling increased by 7.2%. The decreasing number of young people who entered the labour market are often unemployed (+57%) or have a temporary job (+27%), either because they do not have steady job (fixed-term or temporary jobs) or because they are working as apprentices or hold an "assisted" job.

The number of youths with temporary jobs is on the rise (11.4% in 1990, 17% in 1998). However, since their activity is decreasing and job insecurity is also growing among older employees, fewer youths now hold temporary jobs in the temporary job market in Ile-de-France (67% in 1990, 58% in 1998). Nonetheless, a greater number of youths hold temporary jobs than older employees (3.8% in the 30-49 age group). This figures is relative, considering the number of jobs that fall within the framework of training programmes for youths in the 15-24 age group. The increase in the fixed-term and temporary jobs since 1994 has stabilised salaried jobs among youths, and the same can be said for older employees.

Annual development of GDP, total employment and productivity between 1990-1996

	GDP *	Total employment *	Apparent work productivity *	Disparities in productivity ** Base indexes 100 = provinces	
				1990	1996
Ile-de-France	3.3 %	-0.5 %	3.8 %	138	143
The provinces	3.2 %	0.0 %	3.2 %	100	100

(*) Annual growth of GDP in current francs, employment and apparent productivity.
(**) Productivity = GDP per occupied job
Source: Insee data - regional accounts, processed by Iaurif, 1999.

Continued reorganisation of the system of production

Concurrently to the general development of employment in Ile-de-France, the region's economic structure has continually changed throughout the 1990s.

A significant but slackening trend for the creation of companies

Although the number of jobs in the region is rising slowly, there is a continued revival of the economy in Ile-de-France. The region reports about 66,000 new companies annually, which represents 24% of the reported start-up companies in France. Concurrently, there is also a significant number of business failures; in fact, this concerns 13,000 companies annually (28% of the national total). The considerable spate of company start-ups and shut-downs reflect the dynamism of the region, and makes Ile-de-France one the regions with the highest company turnover in France. On the average, one company in two in Ile-de-France is less than five years old. As on a national level, company start-ups in Ile-de-France are nevertheless decreasing due to a stricter 1994 law and the development of a system in favour of unemployed entrepreneurs.

The development of a "social or solidary economy"[2]

The increase and, particularly, the continuation of social inequality and unemployment stimulates initiatives for the creation of companies and jobs in the framework of the social economy. This phenomenon is already present in the world's major agglomerations and is currently developing in Ile-de-France. These new entrepreneurs and jobs are representative of the right to an economic initiative and constitute an economic and social challenge for Ile-de-France. Two types of initiatives are worth mentioning:

- employment for integration: adapted for persons who have been excluded from the labour market for an extended period of time. These jobs are created from initiatives taken by public entrepreneurs who wish to structure a company around economic and social elements (companies that facilitate integration, intermediary associations, local state-run firms). It also involves more specific jobs (employment-solidarity contracts, city-jobs, youth-jobs) in line with employment policies. The 35,000 estimated integration jobs in Ile-de-France in 1995 should continue to increase, as the number of jobs available have still not met the demand.
- unemployed persons who create their own company and "self-employment". In Ile-de-France, over one new company in three was created by an entrepreneur who was previously unemployed. Once again in the framework of the policy which provides aid for integration through economic initiatives, organisations that provide assistance for the creation of companies have started to develop (Association France active, Association pour le droit à l'initiative économique, France initiative réseau,...)[3] to help entrepreneurs who are not eligible for banking solutions for lack of personal resources, sufficient security or banking references. This trend should continue to develop, since there are not as many of such organisations in Ile-de-France as there are in other regions in France and Europe, and the evaluations carried out reveal good results.

(2) "Social economy" is a very vague term in Europe, because it covers legal and economic factors that vary in every country, such as co-operative societies, mutual insurance systems, associations and foundations. Two criteria play an important role: a non-profit objective and the combination of private and public resources.

(3) French Association for the working population, Association for the right to economic initiative, French network initiative, etc.

Industrial employees trends in Ile-de-France between 1992-1997 (*)

Principal industrial activities (NAF 60)	1992	1997	Disparity 1992-1997
Chemical industry	93 630	78 875	- 14 755
Publishing, printing, reproduction	88 100	78 111	- 9 989
Automobile industry	65 479	56 548	- 8 931
Metal works	64 411	52 303	- 12 108
Food industries	64 276	54 348	- 9 928
Manufacture of medical, precision, optical and watchmaking instruments	55 848	43 973	- 11 875
Manufacture of machines and equipment	50 946	42 196	- 8 750
Manufacture of other transport materials	43 936	32 077	- 11 859
Manufacture of radio, television and communication equipment	42 991	37 807	- 5 184
Clothing and fur industry	35 378	30 510	- 4 868
Sub-total (10 activities)	604 995	506 748	- 98 247
Total manufacturing industry	773 092	634 201	- 138 891

(*) Employees reported on 31 December for the year. 1997 provisional. Assedic (unemployment fund) statistics list the number of employees in the private sector, which represent 80% of total jobs in Ile-de-France.

Source: Assedic-Garp, processing Iaurif, 1999

The development of the service sector continues

In the 1990s, favourable economic developments were observed in the agricultural sector in Ile-de-France that were nearly as good as those in major European regions. Nevertheless, farms located in periurban areas are undergoing recent difficulties[4]. As regards the industrial sector in Ile-de-France, even though certain companies are still high-performing, it has globally experienced a slow-down throughout the 90s. This phenomenon has been observed both in the dynamics of existing companies as in the renovating capacities of the sector. It should also be noted that the restructuring of companies in the arms sector – the heart of the industrial sector in Ile-de-France – has had negative effects on the region's economy.

On the contrary, the tertiary sector continues to develop. Considering the relative slow-down of industry and the dynamics of services, there has been continued expansion of the service sector in the region's economy; in 1998, over 80% of jobs were in the tertiary sector. This ongoing trend is attributed to several factors:

- the general expansion trend of the tertiary sector in all production activities in developed countries,
- the increasing significance of national and international tertiary functions,
- the demographic weight of Ile-de-France (effect on local services),
- the externalisation of tertiary functions in industry,
- the development of business services,
- or the rapid expansion of cultural and leisure activities.

In recent years, around 10 activities have become the principal poles of the employment growth in the tertiary sector in Ile-de-France.

The "business services" sector attributes its growth to a number of activities: temporary employment, business and management consulting, cleaning services, market studies and security. "Recreational, cultural and sports activities" are driven by the development of the leisure market (Disneyland-Paris, audio-visual companies, tourist activities). The shifts from the franc to the euro and to the year 2000 stimulate the computer services sector.

(4) Every year since 1994, the Iaurif has analysed the land sales declarations. There is an increasing number of buyers other than farmers who intend to acquise farmland: in 1998, over 3,500 hectares were concerned, whith an average price of 38 francs per m², whereas the average price offered by farmers only amounts to 6 francs per m².

Business property market: a more selective demand, a sector that adapts

Until the early 1990s, the strong demand for business property – sustained by the economic growth observed in the 80s – gave rise to the intensive construction of office blocks and business premises which decisively contributed to the development and modernisation of business property in Ile-de-France.

In 1991, the turnaround of the market put the brakes on the development of business property and the rapid expansion of Economic Activity Zones (ZAE). Since 1993, Ile-de-France has observed its lowest rate of construction of long-term business premises, with around 1.5 million m² currently under construction.

Special Urban Development Zones (ZAC) played a particularly active role in real estate development until 1991; they ensured over half of the region's construction of business premises. However, today they only represent about 15% of this form of construction. The decrease in construction has resulted in a stagnation for the Economic Activity Zones regarding the sales of building sites.

Tourist activity in Ile-de-France

In 1998, 36 million people visited Ile-de-France. This represents an estimated economic activity of 220 billion francs (33,54 billion Ecu) , or one-third of the nation's tourism. An estimated 250,000 direct jobs have gone up by 6 to 7,000 per year since 1989. This growth is essentially due to the rise in foreign tourism, which has more than doubled in 9 years, and continues to increase: 10 million in 1989, 18.7 million in 1996, 22 million in 1998. The opening of Disneyland-Paris in 1992 as well as other events such as the world youth festival in 1997 and the football world cup in 1998 have clearly had a considerable impact.

Trade fairs and shows (business tourism), accounts for about 10% of the tourist activity. This tourist industry generated an estimated 20 billion francs (3.05 billion Ecu) in 1997 and created 40,000 – 45,000 jobs. A total of 1,816 events, 356 of which are trade fairs (over one per working day), generated a turnover of 1.28 billion francs (0.19 billion Ecu) , a 6.6% rise compared to 1995.

Source : Regional commitee of the Ile-de-France Tourism and CCIP, 1999.

Private tertiary activities that created jobs in Ile-de-France between 1992-1997 (*)

Principal tertiary activities (NAF 60)	1992	1997	Disparity 1992-1997
Services provided mainly to companies	555 528	640 942	+ 85 414
Recreational, cultural and sports activities	62 079	89 633	+ 27 554
Computer activities	84 652	107 776	+ 23 124
Health and social services	159 696	172 782	+ 13 086
Post and telecommunications	6 815	17 699	+ 10 884
Hotels and restaurants	185 579	196 314	+ 10 735
Community activities	66 234	71 980	+ 5 746
Retail commerce, repair of domestic appliances	283 430	289 007	+ 5 577
Land transport	53 665	58 119	+ 4 454
Auxiliary insurance financiers	32 148	35 116	+ 2 968
Sub-total (10 activities)	1 489 826	1 679 368	+ 189 542
Total tertiary sector	2 513 505	2 674 082	+ 160 577

(*) Employees reported on 31 December for the year. 1997 provisional. Assedic (unemployment fund) statistics list the number of employees in the private sector, which represent 80% of the total jobs in Ile-de-France..

Source : Assedic-Garp, processing Iaurif, 1999

Significant residual capacities in Special Urban Development Zones, reliable and localised constructions

In 1997, 739 Special Urban Development Zones were being commercialised in 315 communes throughout Ile-de-France. The operations in these Special Urban Development Zones represented 78 million m², or 60% of which were designed for businesses. The scale of the residual capacities that remain to be constructed is a result of the downturn production has taken since 1992, which has had a greater impact on Special Urban Development Zones than in other zones. The real estate crisis in Special Urban Development Zones has made it difficult to commercialise half of them. Special Urban Development Zones are currently being produced in 45 Ile-de-France communes where there is a buoyant real estate market.

Strong mobility of companies

Paradoxically, real estate professionals have reported a steady increase in commercialisation since 1993[5]. In 1998, the demand for office space culminated with the commercialisation of 2.1 million m², which is comparable to the level reported in 1989 during the real estate boom. This paradox is attributed to a demand which today essentially corresponds to rotations in the existing real estate sector, contrary to the second half of the 1980s, when the demand was based on a strong rise in office jobs. Such mobility benefits from a still abundant real estate supply that gives companies the freedom of choice in their search for better-adapted premises or an improved location. It is also the result of a strong increase in the number of mergers-acquisitions over the last two years, and the expansion of certain fields of activities such as computer services or telecommunications, which generate new office needs.

The development of the warehouse market is comparable to that of the office space market; there has been a steady increase in commercialisation since 1993. Despite a low rate of construction of new buildings, over 600,000 m² were occupied in 1998. This accounts for the strong propensity of businesses to relocate.

With 300,000 m² of commercialised surface area, the business premises market is not expanding as quickly as the warehouse market. This is due to the structural developments of the economy in Ile-de-France, which is gradually losing its production capacities.

The mobility of companies has also been observed in Economic Activity Zones. It is attributed more to the renewal of the economic fabric and the existing real estate supply, than to additional land consumption.

Ongoing renovation and changes in business property

In the midst of competition among real estate developers, the demands of companies regarding the configuration of premises, flexibility and equipment have given rise to strong actions for the renovation of business property. This trend has already been observed over the last few years in the office space sector. According to the ORIE[6], a minimum of 400,000 m² of office space undergo renovation annually. In addition to this transformation, new construction projects are carried out to meet the demand for buildings with a more contemporary design. The upsurge in new construction is essentially observed in the most highly established tertiary poles. Concurrently, about 100,000 m² of offices are removed from the office space sector every year because they are either demolished or transformed for other purposes (housing, public facilities, etc.). The latter solution involves offices which have become "non marketable" either because they are obsolete or, more commonly, have an outlying location.

Warehouse property is also subject to equally strong demands for adaptation to occupations in the field of logistics, which have significantly contributed to the changing demands, both in terms of products and locations. Even though a significant stock of 'second-hand' warehouses stand unoccupied, major operations are currently being carried out. According to business property experts, the trend toward modernisation is going to expand in the coming years.

Business premises are gradually being renovated for greater versatility directed toward the tertiary sector. The expansion of the tertiary sector can be noted through the sustained demand for combined premises, to the detriment of the demand for industrial buildings.

The permanent redeployment of companies in Ile-de-France and the changes in their property explain the continued existence of industrial zones and state under derilect land (650 hectares in 1998) in Ile-de-France. Although surface area derelict industrial sites has considerably been reduced in relation to the thousand hectares reported in the early 80s, these areas were also split up into smaller, more numerous parcels.

In the inner suburbs, derelict industrial sites are characteristic of sectors in which a certain amount of industry has been closed down. Furthermore, such sectors lack the sufficient urban qualities to attract tertiary activities. This phenomenon is becoming more common in the outer suburbs and at the boundaries of the agglomeration, where inner-suburban industries were decentralised in the 60s.

A rise in the number, a decrease in the size of derelict industrial sites since 1995

Although derelict industrial sites continually decreased throughout the 1980s, today they are once again increasing, up from 500 hectares in 1993 to 650 hectares in 1998. This upsurge is particularly associated with the emergence of new derelict industrial sites in the outer suburbs and the rise in smaller waste lands.

This fragmentation of derelict industrial spaces is characteristic of this decade: the total surface area of derelict industrial sites in 1998 is the same as in 1988 (650 hectares). However the amount of waste land has significantly increased since (176 in 1988, 284 in 1998).

(5) A commercialised surface area is one that has been sold and rented to an occupant both in new or previously occupied operations.

(6) Regional observatory in business property.

Local areas and the economy in Ile-de-France

The socio-economic developments observed in the 90s have given rise to a distinct spatial organisation within the region. The concentration of economic activity in the heart of the region has remained, and cross-regional segregation in terms of employment has been reinforced both on a quantitative and qualitative level. In addition to these strong trends, the emergence of local dynamic currents can be observed that disengage themselves from the regional determinism, and show that certain areas have the capacity to react.

Major trends in the system of production in Ile-de-France: polarisation and segregation of space

An essential characteristic of the system of production in Ile-de-France in relation to space is its extreme concentration. This is quite apparent if the situation of Ile-de-France is compared to that of other major European metropolises. There is a visible difference with multinuclear regions such as Randstad and la Ruhr. However, there is also a clear difference with the London region, which is certainly the metropolitan area that is most comparable to the Paris region with regard to its size in Europe. Although the two regions present quite similar systems of production and employment structures[1], they have different distributions within the economic basins: there is a higher job density in the centre of Paris than in the centre of London, however it is not as high on the outskirts[2].

How does this economic concentration develop in Ile-de-France? Over the last two decades, the situation has varied relatively little: there has been a significant slow-down of the considerable decongestion and decentralisation that took place from the city centre toward the outer suburbs or the rest of the country in the 60s and early 70s. In almost 20 years (1979-1998), employment in the centre agglomeration of Ile-de-France (Paris and the inner suburbs) dropped from 76% of the region's total employment to 68.5%. This represents a relative loss of 7.5% in favour of the outer suburbs.

However, although at first glance the core may not seem to have changed much, deep transformations have taken place. Even if employment in the region has varied little over the last 20 years, it has been affected by numerous movements regarding both economic activities and geography. A significant number of industrial companies have shut down in the region, which represents a loss of about 500,000 jobs. During the same period, tertiary activities were established. They gave rise to a wide range of new jobs, both in the central zone for business services as well as throughout the region for household services. These new trends significantly changed the distribution of jobs throughout the region.

During approximately a similar period (1975-1997), the population residing in the same central zone decreased from 63.3% to 56%, or a relative mobility of 7.5% of the residents. In addition to the relocation of the population toward the outer suburbs, new service-oriented activities were created to cater to the new population: shops, commercial and non-commercial services (education, health, etc.). These types of jobs are, for a large part, found in new towns as well as in secondary agglomerations.

Nonetheless, it should be noted that employment is not a sufficient indicator to account for all the trends. Today, high-tech industrial units are being created in new towns such as Evry and Saint-Quentin-en-Yvelines, however they do not represent many jobs. This is especially true for the logistics sector, which is developing numerous new facilities in the outer eastern and southern suburbs, but do not create many jobs.

On the other hand, it is important to be aware that other trends are evolving, and tend to become predominant both within the agglomeration and the outer suburbs: a growing segregation of regional spaces between them. The region's system of production – once characterised by a massive number of productive jobs, significant industrial subcontracting and a large proportion of low-skilled jobs – irrigated the entire region in a relatively homogeneous manner. The transformation of the region over the last few decades has been characterised by a strong growth of industrial productivity and, more recently, of services, in addition to a considerable drop in production. This has created or accentuated strong imbalances in different regions:

- the complete or partial closing-down of certain industrial sites and their surroundings which constitute destructured urban sectors (part of the sites in the Seine valley, above and below Paris, La Plaine-Saint-Denis, certain towns in the outer suburbs such as Montereau, Mantes, etc.)
- consolidation of a certain number of "highly-specialised" urban poles which concentrate the economic development that reflect the different dominating functions in the region (decision-making, research, logistics, distribution-international trade, etc.)
- concentration of unemployed populations with little or no skills in certain, very widely distributed neighbourhoods in the region, including those which are in close proximity to the most wealthy areas (or in the very heart of new towns)

The adaptation of the system of production in Ile-de-France to the new order of the global economy has caused regional divisions. Considering this, it is essential to think about how the 'pôles d'excellence' can benefit all the regions by distributing the wealth around them.

If the trends are confirmed, they may have long-lasting effects on the physiognomy of urban planning in Ile-de-France. Therefore, it is important to carefully examine the manifestations and developments of such trends.

A strong polarisation of the system of production

Preferred localisation of employment in the centre of the agglomeration

The distribution of 4,717,600 jobs[3] throughout the communes of Ile-de-France in 1998, is generally similar to the picture in previous years. The high density of jobs in the central zone gradually decreases as one moves further away from the centre. The concentration of jobs in a small amount of communes is explained by the high number of service-oriented activities, which concern 80% of Ile-de-France employees, notably in the field of business services.

(1) See the comparative study: Ile-de-France outskirts and the South-East of England processed by Iaurif - 1995.

(2) See Gemaca's study.

(3) Employment data is provided by ERE (Regional employment studies). Six such studies were conducted between 1979 and 1998.

Nearly 7 jobs in 10 are located in Paris and the three departments in the inner suburbs. Of the 1,300 communes in the entire Ile-de-France region, 810 have less than 500 employees, and half of them have less than 50. 28 communes have over 40,000 employees, with the exception of 18 districts in the capital, 4 of which exceed 100,000 employees (8th, 15th, 12th and 9th), 7 communes in Hauts-de-Seine total 383,000 jobs (47% of the department's employees) located in the outskirts of La Défense and the extended zone of influence (Boulogne, Neuilly, Levallois and Rueil). Although the other communes - Créteil, Saint-Denis and Versailles – are strong employment poles, they are more "isolated" in their environment.

Around forty communes have between 15,000 and 40,000 employees. Twenty are located in departments in the inner suburbs (Montreuil, Bobigny, Saint-Ouen, Gennevilliers, Aulnay-sous-Bois, Vitry, etc.), while the other communes extend out in a more or less star-like formation from the central agglomeration: Vélizy, Guyancourt, Montigny-le-Bretonneux in the south-west, Evry and Corbeil-Essonnes in the south, Roissy in the north near Tremblay-en-France and Aulnay. Other communes of similar size appear more isolated in their environment, such as Argenteuil, Cergy, Saint-Germain-en-Laye, or Melun and Meaux.

Regional Employment Studies (ERE)

Regional Employment Studies provide data on the number of jobs in private and public sectors in communes per specific field of activity. Six EREs were conducted between 1979-1998. The same methodology was applied as in the first ERE, which focused on the number of employees on 1 January 1979.

The first five EREs (1979, 1982, 1985, 1991 and 1995) were conducted by the Iaurif, the Dreif and the Apur. The sixth, based on the number of employees on 1 January 1998, was conducted by the National Institute of Statistics and Economic Studies (Insee), in collaboration with the three aforementioned organisations.

New towns, comprised of a more or less large number of communes within their confines, have thoroughly welcomed development. Their significance is not immediately apparent on a map, however they provide a concentration of jobs ranging from 100,000 in Marne-la-Vallée to 24,000 in Sénart. Cergy-Pontoise and Saint-Quentin-en-Yvelines each provide 83,000 jobs and Evry totals over 50,000.

A concentration associated with an expanding service-oriented economy

Two-thirds of offices are located in Paris and in the Hauts-de-Seine departments. The two principal business districts in Paris, the 8th and 9th districts alone concentrate 11% of the office jobs in the region.

The significance of the central zone is the legacy of the former presence of political and economic activities in the capital. This was reflected in 1970, when 70% of office blocks were established in the Paris region.

Office blocks have since then tripled in surface area, developing in a concentric manner in continuation from the business districts in Paris. This is partly due to the fact that offices are primarily constructed on the initiative of property developers, and that the proximity to the city centre offers the best business guarantees, which translates into a sound investment. Consequently, nearly half of the establishments constructed over the last 30 years were located in the inner suburbs, primarily in the west. This lead to the expansion of the business zone rather than an actual decongestion. Other establishments were scattered throughout the region or in secondary peripheral poles, administrative centres and principally new towns.

The development of service-oriented real estate helped direct a large part of new jobs toward new tertiary centres in Hauts-de-Seine and La Défense in particular. The increasing number of office space toward the west is principally due to the fact that companies found much more favourable conditions in the recently constructed office blocks. Consequently, today there is a visible geographical gap between the very Parisian "small companies" and firms with over 100 employees. Indeed, the personnel of the latter are equally distributed between Paris, Hauts-de-Seine and the rest of the region.

In fact, this trend reflects a shift from the economic centre in the Paris region toward Hauts-de-Seine, where a large number of head offices are setting up.

Although Paris remains the department with the highest number of head offices of large companies in Ile-de-France[4], Hauts-de-Seine ranks number one with the most head offices in the industrial sector, and is on equal footing with Paris regarding head offices in the field of business services. The inclination that the business service sector has for the Hauts-de-Seine department is another factor in the shift of the economic centre of gravity toward the west.

Concentrations by functions and skills

The tendency that service-oriented sectors have to concentrate by fields of activity (finance, business services, etc.) or by functions (head offices, research-design units, commercial bases, etc.) occurs with a concentration of highly-skilled jobs. It can be noticed that there is a higher rate of executives in the west of Paris and in the centre of Hauts-de-Seine, as well as in the south-west of the agglomeration and in the new towns.

Employment in the west of Paris and La Défense sector is characterised by a high proportion of senior executives and management due to the high concentration of head offices in these areas.

The presence of executives in the south-west of the agglomeration and the new towns is particularly accounted for by a concentration of engineers and technical executives employed by sectors which rapidly expanded throughout the 80s: service-oriented functions in the industrial sector, research, the computer field, etc.

A similar trend marked the geographical shift of production activities in Ile-de-France. The technical transformations in industry gave rise to a concentration of the most technical industries in the south-west quarter of the region.

In this area, companies set up in plants or business premises recruit highly skilled personnel comprised on the average of 40% executives, engineers or technicians. Less than 25% are working class employees, whereas this figure climbs to 45% of the workforce in plants throughout the rest of Ile-de-France.

(4) According to the 5th ERE conducted, in 1995, 42% of the head office personnel of large companies in the region were in Paris, in other words companies which with at least one establishment of over 100 employees in Ile-de-France. Nearly one third of these jobs were located in Hauts-de-Seine.

Strong division of regional spaces on a socio-economic level

Unemployment reinforces spatial disparities

Early in the decade[5], there were significant disparities in unemployment levels among communes in Ile-de-France. The highest levels were concentrated in the north-east quarter of the centre of Ile-de-France. Of the 18 communes with a working population of over 2,000 – and which were 4 points higher than the regional average – half were located in Seine-Saint-Denis, followed by Paris, with particularly high levels in the 18th and 19th districts.

Unemployment in Ile-de-France has increased considerably since then. Although recent local unemployment rates are unavailable, several elements suggest that the geographic disparities have not decreased, quite the contrary.

- The increase in unemployment between 1990-1998 gave rise to increased geographic disparities between departments, to the detriment of Seine-Saint-Denis. With the second highest unemployment rate after Paris, this department suffered the highest increase, with unemployment peaking at 14.5% in 1998.
- The highest increases in the number of job seekers per commune between 1990-1998 were in communes located in the outer suburbs. However, the impact on the unemployment rate was reduced by the demographic growth in this sector. On the other hand, with respect to the departments in the inner suburbs, where there has only been a slight increase in the population, the rise in the number of job seekers should result in a significant increase in unemployment on a local level, notably in Seine-Saint-Denis and south of Val-de-Marne. In fact, this is already the case on a departmental level.

Categories of «specific» job seekers according to geographic sectors

Types of job seekers (age, skills, duration on unemployment, etc.) vary from one commune to another. Although these indications are naturally closely associated with the structure of the working population in the commune. They have an effect on the level of unemployment, measures that must be implemented in the commune, possible links with the type of jobs in the region. The map of executive and non-executive job seekers reveals diametrically opposed geographies which recall the social make-up of communes in Ile-de-France.

The average proportion of unskilled job seekers (working class persons and employees) is 23%. However, this figure varies between 2% to 53% according to the commune. Figures are particularly high in communes located in Seine-et-Marne, Seine-Saint-Denis and, to a lesser extent, Val-d'Oise. The highest proportions of executives and technical supervisors (ATM) are found in the west, from districts in Paris to communes in Yvelines and the central area of Hauts-de-Seine.

The communes with the highest proportion of unemployed persons under 25 are often in the outer suburbs where the population is young. However, certain communes or districts undergoing difficulties in the inner suburbs have a significant number of youths.

A difficult balance between the labour market and the demand for jobs

The rise in the unemployment rate in Ile-de-France over the last decade alone reveals the existing gap between the jobs available or offered in the labour market and the number of job seekers. Between 1991-1998[6], there was a slight increase in salaried jobs (2%), while the number of job seekers shot up by 59% in Ile-de-France. On a local level, employment and unemployment do not always evolve as one would imagine. Despite an upsurge in jobs in certain sectors (Upper Seine, or the communes of Seine-Saint-Denis), unemployment continues to rise. This not only shows the growing number of difficulties encountered by the population, but also the difficulties involved in finding an appropriate local solution between job supply and demand. Conversely, in some sectors the number of job seekers decreases despite a drop in job offers.

A comparison of the job supply and demand was made for the sole purpose of observing the disparities between Ile-de-France communes in relation to the regional average[7].

Although job offers are generally concentrated in city centres, significant contrasts appear. Briefly, the number of job offers in geographic sectors with the highest unemployment rate is below the regional average of supply and demand. Nonetheless, there are clear contrasts between communes in departments with the lowest unemployment rates (a vast geographic sector which extends from the west of Paris to Yvelines).

Greater disparities regarding unskilled jobs

The already distinct disparities are even more manifest upon examining the job supply and demand for working class and unskilled employees. A greater number live in sectors with a "relative deficit" of supply (compared to the regional average), and the quantitative balance between supply and demand is not any better for this group of job seekers. Furthermore, the proportion of temporary or part-time jobs is highest among these very categories. Certain flexible jobs involve atypical and fragmented work hours which have an impact on commutes between the home and the workplace, as well as on the organisation of private life; this is another factor that adds to the inequalities.

Such contrasts subside among executives and technical supervisors (ATM); they often reside near sectors with a relative "excess" in supply and have greater spatial mobility. Consequently, fewer persons in this category are unemployed.

Economic boom and social "well-being" do not always go hand in hand

The socio-economic disparities in Ile-de-France have spatial effects. Unemployment rates vary and do not affect the same categories of job seekers throughout the region. However, this does not mean that the areas with the highest unemployment rates are economically "stricken". The gap that sometimes exists between "economic boom" and "social well-being" is very distinct in developing areas: high number of jobs, creation of companies, start-up of new businesses may be located next to a deteriorated social environment. However, this does not exclude strong local mobilisations by and toward inhabitants.

These factors reveal a very contrasting region, where a general insufficiency of jobs that accounts for a 10% unemployment rate among the population, could add to particular difficulties involved in obtaining a job. Geographic factors

(5) RGP 90 provides the most recent official unemployment rates presently available per commune.

(6) Source: ERE (jobs) ; Insee-job survey (unemployment, BIT job seekers (International Labour Bureau)).

(7) This indicator is based on job offers available at the Anpe, the French unemployment agency (40% of the regional market), in 1998 and requests for employment (DEE). This ratio is given for your information, with the sole purpose of observing the contrasts between regions. It in no way provides a categorical view of a local balance between the job supply and demand.

Number of employees in the private sector between 1991-1998 (by department)

	Paris	Seine-et-Marne	Yvelines	Essonne	Hauts-de-Seine	Seine-Saint-Denis	Val-de-Marne	Val-d'Oise	Ile-de-France
1991-1995	-141 100	32 100	29 400	8 400	-12 100	- 1 400	5 500	- 100	- 79 200
1995-1998	300	11 900	5 500	10 700	22 800	- 6 100	-17 400	- 900	26 800
1991-1998	-140 800	44 000	34 900	19 100	10 700	- 7 500	-11 900	- 1 000	- 52 400

such as distance from employment centres and difficulties in accessing information, or lacking the necessary job skills are just a few examples. In this respect, many employers report difficulties in recruiting locally in areas such as Roissy or Marne-la-Vallée, despite the fact that they are located in areas with high unemployment.

The emergence of local economic dynamics

Economic diversification of local areas

The geographic development of employment

The concentration of jobs in the city centre does not put a halt to centrifugal movements. A certain number of regions and communes in outlying areas report employment increases due in part to a demographic upsurge.

Analyses of local employment variations reveal significant movement in the region. Job creation and cuts have had a varied impact on the region. Employment developments show that a centrifugal movement is taking place from the city centre toward outlying areas.

Following employment variations – decreases between 1979-1984 and rises between 1985-1991 - in the long term, the regional employment rate "at constant range"[8] is at the same level 20 years later. During this period of time, however, the weight of each department in the region has shifted considerably. As a result, the number of Ile-de-France jobs located in Paris has gone down from 41.1% in 1979 to 32.4% in 1998, while the weight of the departments in the outer suburbs has risen from 23.3% to 31.5%.

More recently between 1991-1998, jobs continued to be created and cut in Ile-de-France, often reinforcing previously recorded developments. At a departmental level, 4 departments have reported a positive development of the workforce in the private sector[9] over the last 7 years: Seine-et-Marne, Yvelines, Essonne and Hauts-de-Seine. The other departments are either stationary, such as Val-d'Oise, or have observed decreases, the most significant reported in Paris. Regardless of the department, however, the movements observed have not been steady over time.

The drop in employment seems to have been curbed during the last period in Paris (95-98). However, the situation in communes located in areas immediately surrounding the Parisian periphery took a different turn, with significant increases in the western communes (notably in the La Défense sector) and decreases in Seine-Saint-Denis and Val-de-Marne.

Moreover, there is a considerable number of developing communes in the southern part of the city, notably in the Saint-Quentin-en-Yvelines – Evry axis, including Massy, Palaiseau, Saclay, les Ulis, etc. In the northern and eastern outer suburbs, increases are reported in three areas: toward Roissy in the east, and the new towns of Marne-la-Vallée and Cergy-Pontoise.

Local employment variations –a typology of explicative factors

Local employment variations, whether they are positive or negative, are quite complex to explain. In fact, several factors must be considered: significance of the national and regional economic context, business strategies, actions taken by public authorities, demographic development, existence of large facilities, etc. The following groups of communes were identified based on a study conducted on 45 communes in Ile-de-France which gained or lost 1,700 jobs between 1991-1995:

1. communes being restructured: characterised by a significant substitution of industrial jobs lost, by the creation of service-oriented jobs, with an overall positive or negative employment balance. Issy-les-Moulineaux is quite symbolic of this economic development.
2. communes on the decline: significant loss of jobs (especially in industry and commerce), even though certain service-oriented activities are growing.
3. "geostrategic" communes: employment is developing due to their proximity to centres of land communication and easy access to Orly and Roissy airports.
4. communes affected by the real estate market: from the early 1990s, when the reactivity of real estate markets had an important impact on employment with the start-up and departure of companies.
5. communes whose employment development depends on one or more companies: local employment variations are attributed to the number of employees in one or more companies, such as the significant increase in jobs in Chessy following the development of Disneyland-Paris.
6. rapidly developing cities: significant employment growth attributed to their important economic, commercial and administrative roles.

(8) To show pertinent developments, comparisons are made "at constant range". In other words, new elements included in the gathering of data that produce artificial results (more in-depth studies of certain areas, changes in nomenclature, improved statistics, etc.), have been eliminated from the statistics during the comparisons.

(9) For better comparison reliability, developments are calculated based on the workforce in the private sector only. The sources that update the developments of the workforce in the public sector have improved with each ERE, therefore it is difficult to determine whether developments of the workforce in the public sector are the result of updated files or if they constitute real changes.

Apart from these high-development areas, a certain number of communes have also reported employment growth, but to a lesser extent. Located in the outer suburbs, these developing communes are more dispersed, but form a sort of "nebula" between the different poles. This "nebula" is observed near new towns, including Sénart, Roissy in the Seine-et-Marne department (about ten communes around Roissy, with a total increase of 9,000 jobs: Le Mesnil-Amelot, Villeparisis, Mauregard, Compans, Claye-Souilly, Mitry-Mory, etc.), along the lower Seine and Montmorency valleys and certain main highways (the Francilienne, national road 20). A more modest but real employment growth has also been observed in some secondary agglomerations (Meaux, Etampes, Rambouillet, Les Mureaux, etc.).

An important factor of employment growth in the outer suburbs is attributed to demographic development, which gives rise to the need for household services such as retail commerce, health and social services, education as well as cultural, recreational and sports activities.

Diversification of the attractiveness of regions in the business property market

Regional growth can also be measured according to indicators in the real estate market. They reveal and synthesise the attractiveness of a sector for companies according to their principal criteria for a location: accessibility, economic environment, residential area, land and real estate costs, taxes, etc.

The indicators used correspond to the flux of commercialisation observed during 1995-1997 inclusive. They distinguish homogeneous geographic sectors based on the attractiveness of business property, through a segmentation of different products: "pure" office space, combined premises, warehouses, business premises/workshops. Regions are more or less clearly identified by dominant characteristics. The central zone and many communes in the inner suburbs clearly enjoy certain types of development. The same can be said for certain sectors in the outer suburbs, notably the new towns and the Roissy sector. This appreciation gives a more incomplete account of local growth in a number of more isolated areas in the outer suburbs such as Sarcelles - Villiers-le-Bel, Poissy, Les Mureaux, Nemours, Meaux, etc. Considering their diversity, these regions hold a dynamic position on the market, as they can meet the various property needs that companies have depending on their field of activity.

It is essential to understand the growing demand:

The demand of important tertiary functions of a company – headquarters, head office, decision-making, communication, financial activities, etc. – which essentially occupy "pure" office space and are concentrated in certain geographic sectors:

- in the centre and west of Paris
- certain communes in the inner west suburbs (Neuilly, Levallois, Courbevoie, Puteaux, Suresnes, Sèvres, Boulogne, Issy-les-Moulineaux, Rueil-Malmaison and Montrouge)
- central districts in new towns which have gained "sufficient notoriety": Noisy-le-Grand (Mont d'Est), Evry (Centre), Cergy-Pontoise (Prefecture), Saint-Quentin-en-Yvelines (Central Train Station).

The demand of management or functional poles of a company – essentially autonomous units that combine important tertiary functions (administration-management, marketing, sales, services) and material and productive functions (production of prototypes, maintenance, research-development). These types of establishments occupy office buildings and, in some cases, a more or less high proportion require workshops, laboratories and storage facilities. They are mainly located in peripheral sectors, where real estate prices are lower than the preceding, but where the quality of the environment, facilities and services is higher. Public transportation services are not always a determining factor, a clear difference with the office space sector. Distinguishing characteristics in this category, and sometimes even in the same sectors (generally good quality business zones) are as follow: former manufacturing or storage facilities which gradually integrated tertiary functions (notably commercial); new highly tertiary (services) establishments which have maintained a few material functions (after-sales stocks, for instance).

In response to the demand, recent transactions have been carried out:

- in certain inner peripheral areas such as Vélizy, Rungis (Silic and Delta), Créteil, Fontenay-sous-Bois, the areas surrounding La Défense (along 86 highway, between Nanterre and Colombes) and in certain sectors in La Plaine-Saint-Denis
- in more distant sectors, such as certain business zones in new towns where there is an availability of office space and combined premises, in the districts west of Cergy-Pontoise (Osny, Saint-Christophe), in the majority of business zones in Saint-Quentin-en-Yvelines, Evry (along highway 6) and Marne-la-Vallée (sectors 1 and 2) as well as areas such as Courtaboeuf (Les Ulis, Villebon, Villejust) and also Paris Nord II south of the Roissy airport (change from storage activity to international trade).

Employment in relation to population growth: Seine-et-Marne

The Seine-et-Marne department has had the highest demographic and employment growth in Ile-de-France. According to the initial results of the population census taken in March 1999, Seine-et-Marne reported an annual demographic growth of 1.1% (0.3% in Ile-de-France) since 1990, following an even higher annual growth of 2.5% during the preceding intercensal period (1982-1990). The department also boasts the highest employment growth in recent years. During 1991-1998, salaried jobs in the private sector rose by 44,000 in Seine-et-Marne, up by 21% (compared to –1.5% in the entire Ile-de-France region). Growth was also reported in the public sector, such as administration and health.

With 340,000 jobs in 1998, today Seine-et-Marne provides 7.2% of the jobs in Ile-de-France, compared to 5.8% 7 years ago. It would seem that the influx of new residents has probably lead to the creation of services. In addition to "business services" (+20.8%), which have expanded in new towns in the department and around Roissy, rapidly developing activities are closely associated with the population: notably activities such as retail commerce (+7.6%), public administration (+16%), education (+10%) and public, social and personal services (+23%).

The Disney theme park, which opened its doors in Chessy in 1992, continued to develop between 1995-1998. Nevertheless, other cultural, recreational and sports activities have grown in the department. Hospital personnel has also gone up significantly in Seine-et-Marne, as well as the number of employees in social services and services for the elderly and the handicapped (+21.6%). Certain cities in the department report positive employment development, sometimes only slight, but which position them as "poles of life", as much as, if not even more than their economic role. The best example is that of Melun, the centre for several administrations such the prefecture, the university and the judiciary complex, which today includes the administrative court.

Manufacturing with more or less storage needs which only integrate a very small amount of tertiary functions and constitute the industrial framework of Ile-de-France. Recent transactions concerning these functions were carried out in the following locations:

- in the inner suburbs in areas where the long history of industry is changing, but which do not provide sufficient urban qualities to cater to more tertiary functions. Areas concerned are the northern loop in Hauts-de-Seine (Gennevilliers, Villeneuve-la-Garenne), with the exception of certain well-located operations like Barbaniers (in Gennevilliers); south of Val-d'Oise (Argenteuil, Bezons), north of Seine-Saint-Denis (along highways 1 and B3) and the upper Seine sector which extends to Orly to the west;
- in the outer suburbs, in recently developed areas that cannot cater to the tertiary sector, but which have other advantages, notably in terms of infrastructure. The opening of the Francilienne highway has clearly expanded these types of spaces, notably in the southern and eastern parts of the region.

Warehouse functions are rapidly developing in certain regions.

New infrastructures (the Francilienne, highway 15) which have been completed in recent years have allowed for the development of new locations due to their improved accessibility, in an effort to revitalise this market:

- this is particularly the case in Sénart and east of the Roissy airport. As these regions have not been able to position themselves in other markets, they have clearly chosen this market niche
- the "historical" logistics platforms in Gennevilliers, Aulnay-sous-Bois or Rungis. Although they have not lost their interest, their difficult accessibility will ultimately require further diversification.

Local developments based on structural elements

The economic growth observed in certain Ile-de-France areas is based on structural elements likely to have a leverage effect on economic development on a local level. In essence, these elements can be divided into three categories: specialised economic areas, public facilities or urban poles and networks of local actors. They will be examined individually based on examples in Ile-de-France, taking into account that it is often with a combination of these elements that a true economic project can be developed on a local level.

Specialised economic polarities

Certain local projects are based on a significant geographic concentration of specialised economic activities. Although it is rare to find a concentration of an entire economic network, certain "thematic centres of activity" can be identified in Ile-de-France. Companies from the same field of activity can be combined from former industrial concentrations (for example, the automobile and aeronautical fields in Hauts-de-Seine) or meet more recent needs: technological proximity of sub-contractors and markets. In these cases, one often observes a concentration of establishments which are not in the same field of activity, but develop similar functions.

Concentrations per field of activity

Geographic concentrations of companies or establishments of various importance and scale in the same field of activity exist in Ile-de-France, and sometimes communities are quite determined to reinforce them.

The most developed example in Ile-de-France is undoubtedly the Evry genopole. Although the essential part of genetics remains in Paris (large hospitals and public laboratories), the project currently being developed in Evry is a comprehensive centre including activities ranging from research to manufacturing in the field of life sciences. In addition to university research centres, the city includes several biotechnology companies. Launched by the French Association against Myopathy (AFM), this initiative was supported by the state, the region and local administrations, and has today become a significant element for the new town of Evry and the entire Ile-de-France region.

Other local initiatives aimed at stimulating growth in certain well-established sectors should also be mentioned: the Iris association which has brought together companies in the graphic arts sector in Montreuil; the Life Sciences and Health Club in the upper Seine region; the Intermunicipal Mission for Economic Development (Midec), which carried out a local project for companies in the aeronautical field; and the Office of Industry in Seine-Saint-Denis which focused its initiatives on industrial sectors and industrially-oriented services.

The Evry Genopole

The soaring biotechnology sector in Europe revolves around 20 developing centres. Ile-de-France, the second leading European region in this sector, has several notable centres, among which is the city of Evry. Created in the early 90s, the Evry genopole aims at making a name for itself on an international scale in the life sciences sector.

It focuses on genome* research and its industrial applications. It is at the heart of a national and international network that centres on fundamental and applied research in the fields of genetics, genomics** and related fields such as robotics, computers, etc. In 1998, the area employed 900 persons, 400 of which were researchers. In the near future this area will expand with the arrival of new public and private organisations, and through the implementation of new well-adapted university training programmes. In 5 years, the number of employees is expected to rise to 5,000, including 1,500 researchers. The genopole is structured around 4 major areas: fundamental research, therapeutic research, a university centre and an industrial centre which already includes several companies (Genset, Rhône Poulenc Rorer, ACT Gène ESGS Neurotech,...).

In addition, an incubator of biotechnology companies was created in summer 1998, and a 700-seat conference centre is currently under construction.

Strengths of the genopole:

- A national programme of an international scale, the genopole combines a real industrial chain, that ranges from genes to medication, all in a single location; in other words, a comprehensive group that extends from research to the final product, including university training.
- The site ensures direct added value to the discoveries of the researchers through the transfer of know-how to industry. The process is likely to attract other industries that would also like to reap the benefits from this concentration of high-level skills.
- The geographic location is quite favourable. Situated in the new town of Evry, the centre benefits from a significant highway system. Furthermore, it is not far from the Saclay-Orsay plateau, which concentrates one-fourth of public research in Ile-de-France. It is also very close to the Orly airport, which ensures the rapid transport of fresh cells used in cellular therapy.

* A genome is the group of chromosomes contained in a single gamete.

** "Genomics" is defined as a group of research fields dedicated to the study of the human genome, genes, their functions and interactions.

There are other examples of concentrations from which to stimulate local economic growth. The image and audio-visual sectors, in particular, are following this sector-based concentration trend observed in the geographic areas of Val-de-Seine (Boulogne, Issy-les-Moulineaux), south of Seine-Saint-Denis (from Epinay to Saint-Denis) and in Marne-la-Vallée (Bry-sur-Marne). However, other sector-based opportunities exist on a micro-regional scale; for instance in the agrifood industry (Sud-Essonne, Seine-et-Marne), the construction material sector (Montereau), the "environment" industry (Mantois), etc.

Function-driven concentrations

Like sector-based concentrations, the agglomeration of certain functions in different geographic areas in the region stimulates the local economy.

The most significant of these is *the senior and management tertiary function* in the centre and west of Paris, and extending into the Hauts-de-Seine, at La Défense. Today, the department boasts one-third of the large international companies (a turnover of over one billion francs) located in Ile-de-France, placing it on equal footing with Paris regarding management functions in large companies. A concentration of this scale clearly has a powerful structural effect on its environment and has a significant impact on employment opportunities in business services for the most highly skilled positions (experts) to the most common jobs (gardening, security, cleaning, etc.).

A number of peripheral geographic areas also concentrate *high-tech industries*, with the most notable located in the south-south-west quarter of the region.

For instance, the economic business zone in Vélizy-Villacoublay, one of the largest in Ile-de-France (35,000 jobs reported in 1997), is a traditionally industrial centre that includes such fields as armament, aeronautics, automobile, electric and electronic manufacturers and renowned companies like Thomson, Matra, Dassault, Messier Bugatti, Alcatel, etc. These high-tech sectors call for highly-skilled jobs. Technical engineers and executives represent 22% of the area's industrial jobs (compared to 12% on a regional level), industrial technicians account for 40% of the jobs (against 15% on a regional level) and unskilled workers constitute only 1% (in relation to 12% in Ile-de-France). The service sector has rapidly expanded in this area in recent years. An estimated 60% of real estate projects carried out in the business zone involve service-related programmes.

Local initiatives designed to stimulate growth in a field of activity

• The graphic arts sector is well established in the commune of Montreuil, however it was hit rather hard by the economic crisis in the early 90s, and resulted in the closing of nearly one-third of the printing houses. The city brought them together within the framework of the first "Graphic Arts Forum", which gave rise to the creation of the "Iris" association. The organisation associates companies in this sector (graphic designers, videos, printers, sound, etc.) and has taken initiatives in areas such as work share, market distribution, creation of client networks, sharing of materials and recruitment of sales executives on a time share basis.

• In the upper Seine region, the "Life Science and Health Club" includes about a hundred actors concerned by this very important local sector (university representatives, hospitals, companies and small private laboratories). The club's primary objective is to reinforce relations between these actors and encourage the creation of research units with associated economic activities. In concrete terms, an agrifood quality and control centre was created near the veterinary school in Maisons-Alfort, and a series of activities – gerontology training programme, creation of product-testing companies – were developed in collaboration with the Ivry hospital, which is specialised in geriatrics. The University of Créteil plays a key role in the initiative to monitor technological development.

• In 1984, the Intermunicipal Mission for Economic Development (Midec), located in the economic basin of Argenteuil, initiated a local project with the aeronautical sector. At the time, this sector was locally comprised of several dozen companies and employed one-third of the workforce in the industry. The Midec's actions among companies focused on supportive measures for development, business revival, quality club, participation in the Bourget Trade Show with local small and medium-sized firms and collaboration with the Dassault company through the Konver programme, designed to help diversify companies in the aeronautical field.

• The Office of Industry and technology in Seine-Saint-Denis brings together economic and technological operators through a network of partners. It centres its activities on the industrial activities and industry-oriented services sector, notably companies specialised or involved in mechanics and related activities, particularly in the north of Ile-de-France.

Located on the Villaroy-Guyancourt plateau in Saint-Quentin-en-Yvelines, the Renault Technocentre is one of the most important elements in the development of the new town. It has a workforce of 7,000 highly-skilled employees, with more than one-third of which are executives. Renault has set up its entire research and development structure for future lines in this area, thus creating nearly 1,000 new jobs. Moreover, in 1999 Renault and the education offices of Versailles signed a co-operative agreement to jointly develop initial and continuing educational training programmes. Another typical example concerns the region that stretches from Massy to Ulis along the 10 highway. This area concentrates high-tech companies, high-level computer and technical services as well as advanced education and research establishments.

Other geographic sectors in the north-north-east quarter of Ile-de-France are directed more toward *new business service activities*, particularly industry-related services, with a strong focus on wholesale trade. For example, the Special Urban Developement Zone in Paris Nord II, south of Roissy, is largely comprised of foreign companies predominantly involved in commercial distribution (sales branch, industrial trade, import-export, wholesale trade) and services.

On a smaller scale, the Special Urban Development Zone of the Barbaniers – created in 1998 in Gennevilliers – has attracted about 90 companies which represent over 2,200 jobs. Primary activities include wholesale trade (office machines and computer equipment, electronic equipment, machines and industrial supplies) and business services. Companies are particularly attracted to this location due to its proximity to Paris and its accessibility by highway (highways 86 and 15) and public transportation (metro). Furthermore, the design of the Special Urban Development Zone has largely contributed to the commercial success of the operation.

Functional concentrations such as these also exist on a more or less identical scale in a wide range of locations in other parts of the region, particularly in traditional industrial sectors like the northern loop of Hauts-de-Seine, the Plaine-Saint-Denis and the upper Seine region. These sectors primarily occupy "combined premises" including offices, storage facilities and workshops as previously described.

The eastern Paris region is observing an increasing level of *concentration in the storage and logistics sectors*. Certain projects have specialised in the development of these activities; for example the Paris-Est business zone (includes the

The Gustave Eiffel business zone in Bussy-Saint-Georges (Marne-la-Vallée)

The 90-hectare business zone developed along highway 4 has attracted 22 companies in 10 years and provides nearly 1,500 jobs. Two-thirds of the companies are service-oriented and are primarily involved in wholesale trade (31%) and transport (18%), the latter of which occupy considerable space. The jobs-hectare ratio in the business zone is a low 30 jobs/1 hectare.

Nearly 2/3 of the companies in the business zone were attracted to the area for decongestion purposes. Transfers are carried out in a limited geographic area and involve a high number of relocations from Paris and communes in the inner suburbs. In fact, transfers also take place within the new town of Marne-la-Vallée itself. The business zone has been able to meet the needs of companies that require considerable space and can carry out their activities in an excellent location (along highway 4, which provides rapid access to eastern France as well as the city centre and other main highways (access to highways 1 and 6 by way of the Francilienne highway).

Storage and distribution functions make up the primary activities of the business zone. Companies with over 100 employees include Décathlon (regional warehouse East Paris Centre), Fuji Graphic Systems France (distribution of plates and film for photoengraving and printing houses), Sony Music Entertainment (distribution of hi-fi products) and Alium (rental of computer equipment and storage).

communes of Lognes, Emerainville and Croissy-Beaubourg) is comprised of 330 companies which account for 9,000 jobs that provide such services as storage, distribution and transport.

The Gustave Eiffel business zone in Bussy-Saint-George is another example business zone where several large international companies have set up their logistics structure.

The "furnishings route" is another typical concentration of economic activities. It refers to the agglomeration of *retail commerce activities* off certain highways in the outlying areas of Ile-de-France. Large-scale distribution requires areas with maximum business conditions: high volume of automobile traffic, visibility, easy parking facilities, advantages provided by land availability combined with low urban restrictions. The complementary nature of signs (commonly household furnishings, clothing outlets, leisure and services) is also an added benefit.

The laissez-faire aspect of urban planning that characterises such concentrations often needs to be controlled. Nonetheless, the economic weight of these business zones can reach significant proportions, and thus should be considered as an unquestionable factor of local wealth and development.

Spontaneously created in the 70s, the Coignières business zone is located along national highway 10 on the boundaries of the new town of Saint-Quentin-en-Yvelines. Today, it is one of the principal agglomerations of specialised medium-sized shopping spaces along a main highway in France. Initially occupied by caravan sellers, the area was quickly taken over by furniture retailers who arrived in the mid 70s. Today, this area has become the region's largest shopping centre (100 - 150,000m² of shopping area), with a turnover of several billion francs.

The concentration off national highway 7 south of Orly between Athis-Mons and Juvisy is another spectacular example of this economic phenomenon: a true automobile "Trade Mart" in Ile-de-France and a significant concentration of restaurants and retail stores (furniture stores and household furnishings), this "pole" offers a vast shopping area in the south of Ile-de-France.

Urban infrastructures and poles

Large urban infrastructures and poles can be a driving force on the local development of a region.

Airports are one example of this type of development. Considering the strong growth of air traffic, the number of jobs and activities in the Roissy airport is a fundamental economic asset for Ile-de-France. This has a global impact on production capacity as well as specific effects produced by the airport platform. Such effects were estimated at over 70 billion francs -10.67 billion Ecu - (50 billion francs for Orly airport - 7.62 billion Ecu-).

The profit does not necessarily benefit the communes surrounding the airports that are subjected to noise pollution. Following the initiative of Aéroports de Paris and local administrations, a series of measures were implemented in recent years in Roissy to improve the situation. The objective is to help the local population and companies to reap greater benefits from the airport's economic effects. Similar measures are also planned for Orly, notably regarding employment.

Other *road, rail and immaterial transport infrastructures* play an important role in economic development. Main highways like the Francilienne, for instance, help concentrate activities in certain sectors in the region. Today, many projects present opportunities to trigger local development currents, such as the North railway connection around the Epinay-Villetaneuse station. An intermunicipal and interdepartmental partnership supports its reorganisation, which presents an ideal opportunity for developing an ambitious project: optimise investments for infrastructures to stimulate economic development around the station, enhance urban spaces and integrate the projects of the university near Villetaneuse. The project for the reorganisation of the train stations in Massy is another important challenge for urban and economic development.

National highway 7 between Orly and Evry

National highway 7 between the Orly airport north and the new town of Evry in the south – in the communes of Athis-Mons, Juvisy-sur-Orge, Paray-Vieille-Poste and Viry-Châtillon – runs through a typical "furnishings route": companies began to set up along the highway in a disorganised and discontinuous manner as property opportunities presented themselves.

Peripheral development has essentially been carried out in the north-south axis at the expense of the east-west highway layout.

Predominant specialized activities include automobile services, household furnishings and restaurants. However, stores with common domestic products – the food sector for example – are under-represented. Due to numerous interstitial areas and the lack of urban cohesion, certain retailers have disappeared.

The automobile sector is by far the principal feature of national highway 7, both in the number of companies as well as turnover: 70 automobile-related companies generate a turnover of over 1.2 billion francs (0.18 billion Ecu) in 4 communes (compared to 9 companies in a similar sector that generate a turnover of 100 million francs (15.2 million Ecu) in Evry.

Roissy-Charles-de-Gaulle Airport: local and regional challenge

Roissy-Charles-de-Gaulle Airport is an important business and employment zone, with 50,000 jobs on the airport platform alone, and nearly 500 companies. It is estimated that its growth is proportional to that of air traffic; in other words, an average of one thousand direct jobs per million additional passengers, as well as one thousand indirect jobs. Currently, air traffic is expected to increase by 5 to 6% annually.

This development does not necessarily benefit the surrounding geographic sectors. The benefit is much more widely distributed to nearly the entire Ile-de-France region and beyond.
Two distinct economic environments coexist on a local level: the airport platform, which has a natural tendency to be self-sufficient; and small and medium-sized companies located in the outskirts and which have very few business relations with companies located at the airport. Moreover, very few jobs on the airport platform are occupied by residents in surrounding areas, which still report high levels of unemployment.

Today, all the economic actors have a common objective – a more appropriate distribution of economic and social advantages, with local spin-offs. The principal demands of local administrations focus on improved awareness of the labour market on the platform. A Public Interest Group (GIP) has recently been formed, initiated by the Ministry of Equipment and Transports (where the Region is involved), to identify the sociological and professional developments of jobs and trades in Roissy, and integrate a training division.

Following an initiative of Aéroports de Paris, a partnership was established with local administrations to propose and implement an initial series of measures:
- develop the economy and companies: improve exchanges between surrounding companies and those located on the platform (purchasing centre), creation of companies (business development area projected on the platform), a collective promotional campaign abroad
- facilitate accessibility to the platform from surrounding areas to help integrate persons who work and live there (adapted means of transport, housing measures)
- take action against unemployment and exclusion (employment boutique-club for job seekers, career and employment observatory).

Large recreational infrastructures such as Disneyland-Paris and the Grand Stade (the new stadium) have direct and indirect economic effects on the surrounding regions and enhance the image and attractiveness of these areas. However, the local effects of such large-scale infrastructures are by no means felt immediately. An active initiative is required at the different key steps of a project – design, construction, organisation – in order to open the project to its surrounding environment. As such an initiative was not taken into consideration at the beginning of distinct projects such as the Exhibition Hall in Paris-Nord Villepinte, or the University of Villetaneuse, it is more difficult to implement them now that they are being encouraged.
Universities are another example of infrastructures that can generate new activities on a local level to meet the demand of thousands of students in terms of housing, restaurant services, transportation infrastructures, retail stores and local services. Moreover, universities have a local impact, as their functions keep them in contact with companies.

Typical urban poles, new towns, peripheral cities and large-scale urban projects ("Seine Rive Gauche") are also essential supporting pillars for development. Conversely, the absence of a local urban pole is certainly a handicap (the technopole in the Saclay plateau, for example). By creating free urban trade zones, the city's revival plan has given a boost to the economy in areas that have been left on the sidelines. The free urban trade zone in Grigny has given a breath of fresh air to the Radars business zone, thus resulting in a leverage effect for a city undergoing major difficulties. In three years, the free urban trade zone has attracted about one hundred small companies (420 jobs in 1997 and 1998). The primary sector is company services, followed by wholesale trade (good location off main highways) and a build-up of construction activities.

However the driving force depends on development conditions. On the whole, the driving force of infrastructures and elements in the urban

Disneyland-Paris : from recreation to economic development

The number of visitors to Disneyland-Paris has been continuously increasing since 1994, with a reported 12 million visitors in 1998. Thanks to its exceptional notoriety throughout Europe, the theme park has helped create 41,500 jobs throughout France (direct, induced and indirect), 12,500 of which are in Seine-et-Marne. In addition to direct jobs (10,500 by Disney, or 4% of the workforce in the private sector in Seine-et-Marne) induced jobs must also be included (through employee revenues, Disney purchases, visitor expenses outside Disney, etc.) even though the majority of induced jobs are situated outside the fixed location (70% are outside Seine-et-Marne).
Disney is also a convention centre on equal footing with that of Porte Maillot. In 1997, its business clientele accounted for 120,000 overnight stays.
Furthermore, Disney Village is now the leading recreational centre in Ile-de-France outside Paris. Its multiplex cinema, 6 theme restaurants, dinner shows, night clubs and bars open nightly generate an estimated turnover of 600 million francs (91.47 billion euro).
Disney revenue derived by taxes in 1997 amounted to 1.380 billion francs (0.21 billion euro). Public investment allowed for the construction of infrastructures such as highway 4 and the RER (Regional Express Train) and TGV (High-Speed Train) stations for 2.7 billion francs (0.41 billion euro). At the same time, a total of 23.5 billion francs (3.58 billion euro) in private investment were devoted to the first phase of Disney.
A new wager now concerns the second theme park; a cinema and media park which will require an investment of 4-5 billion francs. It will provide about 1,500 direct jobs (5,000 direct and indirect jobs announced) and the creation of small and medium-sized media-related companies is strongly expected around the park and in Val d'Europe.
The Val d'Europe sector – easily accessible by highway 4 and the TGV – is a major project : initially, the programme will include a 90,000m² international shopping centre, the commercialisation of which is already well under way, 19,000m² of office space and a 33 ha business zone. Ultimately, the project will provide for an expected 3 to 4,000 direct jobs.

Source : Epafrance

Action plan for the Orly-Rungis sector

The Orly-Rungis sector represents about 70,000 jobs spread throughout the airport area (27,000 permanent jobs) and the surrounding business zones (Silic, Servia, Sogaris, M.I.N. de Rungis, Belle Epine, etc.).
It is currently facing a number of challenges: on the one hand, the difficulties encountered by the M.I.N. with regard to the new logistics framework and large distribution groups; on the other hand, the threats that Orly Airport activities are facing, considering the number of jobs lost in recent years. The impossibility airline companies have to expand, notably due to the curfew and the statutory limitation of time-slots, may also reduce the number of jobs.
Furthermore, these business zones are not easily accessible from surrounding sectors (saturation of highway access during rush hour, transhipment and poorly adapted public transports during non-peak hours).
Measures could be implemented for the development of the Orly-Rungis sector, as they have been for the area around Roissy Charles-de-Gaulle. A committee for the district which essentially focuses on employment, has already brought together local actors from Thiais, Orly, Rungis, Chevilly-Larue, Fresnes and l'Haÿ-les-Roses. More generally, a project initiated by the Ministry of Equipment not only aims at reinforcing its networks, creation of a public interest group for employment and an economic development agency, but also to define a new framework for the sustainable development of employment following the example of Roissy. To this end, five main lines have been proposed:
- encourage economic development and employment
- optimize airport activities
- control noise pollution and provide better assistance to local residents
- take urban planning actions
- improve land access to the Orly-Rungis platform and provide a quick, direct connection between Roissy and Orly airports

Stade de France - France's New Stadium : a stepped-up impact

The construction of the Stade de France in the Plaine-Saint-Denis has boosted and reinforced current development: the decision to locate the Stade de France in the Plaine-Saint-Denis in September 1993 reduced a 20-year urban project to just 5 years. The stadium, the construction of two RER stations and access by highway 1 have had a "locomotive" effect on the environment.

Like the Urban Development Zones in Cornillon Nord, where companies like Décathlon, Gaumont, Quick and Truffaut are located, French and foreign investors are returning to this area; from July 1997 – July 1998, unoccupied facilities in Saint-Denis dropped by 80,000 m². The Urban Development Zone around the stadium has reached record commercialisation levels and development projects are continuing (150,000 m² of office space are projected in the Pleyel Urban Development Zone).

This has also boosted the notoriety of the city; indeed, with the world cup Saint-Denis benefited from a global promotional campaign. For certain investors, "A location in the home of the world champions" is a clever way of showing the dynamic spirit of their company.

Moreover, there has been a considerable impact on tourism: visits to the basilica have increased by 25% in 1999 compared to 1998, and group visits have gone up by 100%. The budget of the tourist office has risen from 250,000 francs (38112 euro) in 1992 to 5 million francs (762,245 euro) in 1999.

environment is relative. The impact of a large-scale infrastructure on the local environment depends on the presence of other conditions necessary for development. Let us consider the impact of the Roissy airport on the development of the Paris Nord II zone in its immediate periphery in the south. Studies conducted among companies showed that the decisive factor in deciding to locate in this area was the highway junction at the edge of the city of Paris that gives rapid access to the northern European market (or inversely for foreign branches interested in the Parisian market). Airport proximity is most often mentioned as a secondary advantage, far more for the transport of persons (client or supplier relations/arrival of visitors) than for freight (very few cases). A notable amount of companies surveyed even stated that they "are indifferent to the airport proximity". Apart from a limited amount of specific functions, it can be considered that, functionally, the Roissy airport was an insignificant factor in the companies' decision to locate in this area. On the other hand, the gradual increase in popularity of the exchange platform (conjunction with the TGV) and the modernity of the infrastructure helped enhance the image and location of this attractive sector situated along the highway among foreign establishments such as local companies who want to make a name for themselves on an international scale.

Actors who support projects

Until recently, teams in charge of the local economy in Ile-de-France were primarily interested in developing real estate opportunities to attract new companies to the region. Consequently, they began fiercely competing and even outmatching each other. As a result, they were often less interested in existing companies and potential opportunities. Today, the changing situation has altered the behaviour of local actors; the global downturn of the business property market – and above all its concentration in the area – and greater socio-economic and employment disparities between sometimes neighbouring regions have lead to other practices directed more toward endogenous development.
This requires co-operative efforts and partnerships on a local level. Indeed, encouraging development on a microeconomic scale – through the optimisation of skills, initiatives and projects – will enable authorities to better deal with existing disparities and achieve greater and more balanced distribution. Relationships are being established between cities and local small and medium-sized companies as well as large companies. Many local Ile-de-France teams are currently working to make this happen. They encourage local action to stimulate the economy and employment, and incite the creation of business clubs, as in Saint-Denis, Montreuil, Rueil, Issy-les-Moulineaux and Meaux, among others.
In addition to these developments – which often occur on a local level – are other, more ambitious projects: intermunicipal measures over a wider area, partnerships to supplement all local economic actors, specific networks such as those being set up between universities, research units and companies.

Intermunicipal developments

Until recently, only few intermunicipal projects have focused on the economy.
One of the "pioneers" is the Intermunicipal Mission for Economic Development (Midec), created in 1984 between the communes of Argenteuil, Bezons, Sartrouville and Houilles. From 1985, a mixed union agreement, 'the renaissance plain' was established between the Seine-Saint-Denis department and the communes of Saint-Denis, Aubervilliers and Saint-Ouen to develop the industrial zone in the Saint-Denis Plain.
Similarly, *the employment Committees*, created in the mid 90s, are authorities that promote dialogue and actions. They seek to improve the employment situation and the local development:

- the Val-de-Marne South CBE includes the communes of Thiais, Orly, Rungis, Chevilly-Larue, Fresnes, l'Haÿ-les-Roses
- the Val-d'Oise East CBE includes the communes of Sarcelles, Garges-les-Gonesse, Gonesse, Villiers-le-Bel, Goussainville
- the most recent CBE has just recently been formed in the Mureaux sector

Although these initiatives are rather exceptional, economic actions are increasingly being included in the centre of intermunicipal projects. The area where this tendency has been the most highly developed is clearly Seine-Saint-Denis. However, other initiatives are being developed in other departments, notably in Val-de-Marne (Development Committee of the technological and scientific Valley of Bièvre).

It should be noted that:

- these co-operations focus primarily on "project-oriented" rather than on purely administrative areas. They can take action around areas such as the Ourcq Canal, national highways 2 and 3, the Bièvre Valley or the Saint-Denis Plain. Projects such as these sometimes intersect and determine "variable geometric" groups and perimeters depending on the case
- the economy, employment and training are central factors of intermunicipal projects. However, in order for them to be effective, projects focus on the integrated development of areas, which also involves measures regarding urban planning, infrastructures and administrative facilities.

Networks of economic actors

The implementation of an intermunicipal project can be a driving force for development, however, it must also be able to mobilise the various authorities required to carry out a successful project.

Whatever priority a project may focus on – employment or the economy – it involves the same kinds of actors: the city/local company relationship is essential for local projects; additional partners are necessary for projects at different levels, such as regional, departmental and public administration services, professional and managerial associations, Chamber of commerce, training organisations, business networks and associations.

The following initiatives have been taken with regard to employment:

- The employment office in Rueil, Garches and Vaucresson, which was formed in 1994 and includes 4 bodies: local officials, public services, social partners and companies. It aims at centralising and co-ordinating local employment actions.
- The Intermunicipal Commitee for employment in Nord-de-Seine created in late 1998. Its actions are directed at establishing a network of actors and locations that provide employment guidance and support, creating activities and raising adequate funds notably by uptading passive unemployment expenditure within an area that includes the northern districts of Paris, cities to the west of Seine Saint-Denis and the north-east of Hauts-de-Seine.

As regards economically-oriented projects, other initiatives have set up structures that are in direct contact with local companies in order to be in touch with their problems and provide specialised guidance and counselling. This requires a wide range of professionals, experts, skills and technical resources.

- One such structure is the Office of Industry and Technology in Seine-Saint-Denis. It provides guidance, information and counselling services to existing and prospective companies in the west of the Seine-Saint-Denis department and more generally in the northern sector of Ile-de-France. In December 1996, a charter was signed that associated a network of partners, including Anvar, Chamber of commerce, the Technical Centre of Mechanical Industries, the Committee for the development of the department, the Regional Centre for Innovation and Transfer of Technology (Critt mechanics), the Manager's Association, expert services, laboratories, training centres and company representatives.
- Another example is Association for the economic revival of the upper Seine region (Aresa), whose actions focus on associating companies in this geographic sector to a development project and has set up a structure that groups together a range of skills and training opportunities.

Local networks involving universities and companies

The role of universities and their research departments in regional economic development remains quite low-key in Ile-de-France. The university's essential responsibilities are to educate students and provide research activities, which give it an economic and social role. However, this role is played on different scales, such as the labour market, networks and research programmes which go far beyond the local scale.

Intermunicipal cooperation in the north of Ile-de-France

This area is observing a "profusion" of intermunicipal co-operation projects of where the economy is a key element. The state as the region are more of less identified by such concentrations.

Several factors contributed to this trend:

- the existence of an intermunicipal area: the Plaine-Saint-Denis, an industrial area located in the three communes of Saint-Denis, Saint-Ouen and Aubervilliers. For the past decade, its revitalisation project, "Renaissance Plain", has prompted collective reflection and actions.
- the Roissy pole, whose economic and employment potential helps structure intermunicipal projects in order to organise the economic spin-offs in surrounding regions:
- the initiative of the Seine-Saint-Denis department called "Resources 93". It helps communes implement co-operative actions involving economic development and urban planning.

Several intermunicipal groups have been formed or are currently being put together. Four principal groups shall be presented, in the Seine-Saint-Denis department:

- 5 cities - Saint-Denis, Aubervilliers, Villetaneuse, Pierrefite and Epinay-sur-Seine – set up an institutional intermunicipal structure that will enable them to combine their efforts to reorganise and encourage economic development in the greater Plaine-Saint-Denis area. They gathered together via the creation of a community of communes and implemented a unique business tax
- 5 neighbouring cities - Ile-Saint-Denis, Saint-Ouen, La Courneuve, Stains and Pantin – concerned by the same project, decided to become involved by forming a more flexible cooperation: an intermunicipal development charter
- 7 other cities – Bobigny, Drancy, Romainville, Noisy-le-Sec, Bondy, Aubervilliers and Pantin – established a co-operation charter for the development of the area around the Ourcq Canal
- the cities of Blanc-Mesnil, Le Bourget, La Courneuve, Dugny and Drancy have combined their efforts for a project regarding the reclassification of their industrial sectors by implementing measures on infrastructures, urban planning and training.

Intermunicipal groups can also be noticed:

In the **Hauts-de-Seine** department:

- 5 cities — Villeneuve-la-Garenne, Gennevilliers, Colombes, Clichy and Asnières — plan a contract of conglomeration with the state and the department (loop of Hauts-de-Seine)

In the **Val-d'Oise** department:

- 2 communities of communes:
  - Roissy-Porte de France (eleven communes in the east quarter of Val-d'Oise
  - Val-de-France (Sarcelles and Villiers-le-Bel)

In the **Seine-et-Marne** department:

The Plaine de France district boast communes like Mesnil-Amelot, Mauregard and Moussy-le-Vieux.

Cergy-Pontoise: a few co-operative initiatives between companies and higher education

The Cergy-Pontoise Company Action association (a club comprised of 200 companies within this new town) has initiated co-operative action with higher education establishments. Its objective is to meet the demands expressed by companies regarding research and trainees. The University of Cergy-Pontoise is stepping up efforts to teach its doctorate students to apply their skills in the private sector and become familiar with the company.

Committee for the Economic Development of Val-d'Oise (Ceevo), in collaboration with Anvar, seeks to promote the importance of university research among companies (cofinancing of projects).

A higher education/company association was established in Val-d'Oise (County Commission, Regional Council, Cergy-Pointoise Epa) to improve student integration in companies (training programmes), integrate continued education in companies and encourage the transfer of research.

A "District Consultant" position was recently created for the new town (with the support of San, the County Commission and the Ministry of National Education and Research) to encourage the transfer of technology for the development of companies. An initial project was carried out with Ensea concerning the enhanced value of electroacoustic products.

In addition to the jobs induced directly or indirectly from its general functions, however, universities have a local development potential:

1) facilitation of the professional integration of students through training programmes and aid for the creation of a company which, in this case, would be supplemented by the unofficial transfer of scientific knowledge and expertise.
2) interactive training programmes: companies define the contents of certain training programmes, while universities recommend the companies' training programme in the framework of continuing education
3) collaboration between research laboratories and companies (research contracts, services, consulting, transfer of licences and patents, common laboratories, etc.) stimulates innovation.
4) involvement in the local economic development based on the backup of new companies (training programmes), participation in networks of local actors...

One of the difficulties involved in establishing relationships between universities and local companies is the difference in objectives and end results in these two worlds. Experience shows that arbitration structures are needed to bridge this gap.

More recent universities in new towns have put forth interesting efforts to associate university activities with the local environment. The Versailles-Saint-Quentin-en-Yvelines university signed contracts with nearby companies that were facilitated by the set-up of a specific structure in charge of maintaining relationships with the economic environment. It is planning to create a common laboratory with Renault PSA located in Saint-Quentin. An "incubator" (Promopôle) is projected to facilitate the start-up of new companies and activities.

The new town of Cergy-Pontoise, where large establishments of higher education are located (over 20,000 students), has also established contacts with the local economic environment, which boasts 3,500 companies and nearly 60,000 jobs.

Whichever form is adopted, this type of measure – which brings together elected officials, economic and social actors – encourages communities to combine their efforts to overcome the difficulties that affect a region. Even though it is still too early to analyse and measure their impact, their mobilisation is an indispensable factor in establishing a development project.

Overall, the Ile-de-France region has long worked like a unique economic basin of activities, irrigating the different parts of the region in a relatively homogeneous manner. The transformation of the system of production and the mechanism of the business property market within a well-maintained agglomeration has clearly given rise to regional disparities and imbalances. It is thus essential to establish relationships in developing sectors and strong poles in order to stimulate growth in the regions and districts with the most difficulties. Experiences show that a better geographic distribution of growth is possible in Ile-de-France if we take advantage of existing or projected economic opportunities and the diversity of demands from companies. Of course, not all areas are capable of sustaining the same type of development; there are strong trends against which it is impossible to take action. For instance, "pure" office jobs cannot be set up indifferently just anywhere in the region. However, what every area can do is focus on specific sectors which characterise its activity and take advantage of local structural facilities, provided that local powers and actors are mobilised more systematically.

Association for the Economic Revival of the Upper Seine Region (Aresa)

Objectives: establish an environment conducive to the economic revival of the upper Seine region.

Source of initiative: In 1992, the Prefect of the Ile-de-France region asked the Upper Seine Mission to draw up a Master Plan. Since then it has initiated a significant local project with local companies in collaboration with the Critt, and encouraged the creation of an association of companies, Aresa, which includes small and medium-sized companies and industrial firms as well as large companies such as Rhône-Poulenc, EDF, Régie Renault* and Philips.

Field of activities: Aresa provides:
- an economic service centre (Caesa) which groups together a range of skills and professionals to assist companies and entrepreneurs
- a training centre created in collaboration with volunteer local companies from different fields of activities through a partnership with technical schools, Gretas, managerial training organisations and the university.

* Specific legal status of the state-run French company

Proposals for an economic project

There is one conclusion to be drawn as the 90s come to an end: the economic situation of Ile-de-France is less certain today than it has been in previous decades. Although an economic downturn is highly improbable, it cannot be completely ruled out. However, even if a return to sustainable growth is more likely, there could be a continued tendency toward more pronounced contrasts.
This is why it seems necessary to boost an economic dynamic in Ile-de-France at three levels: international, regional and local.

Macroeconomic perspectives

If there is an area where it is risky to make forecasts, it is the economy. Therefore, we will not make the perilous attempt to describe the economic situation in Ile-de-France in 2015/2020 or beyond, nor calculate the number of jobs that will be provided to Ile-de-France residents at that time.

Nonetheless, it appeared interesting to describe two extreme hypotheses regarding economic development in the Ile-de-France metropolis for instructive purposes. The first is pessimistic, and centres on rather unfavourable geopolitical situations likely to cause an economic downturn in Ile-de-France. The second, however, is more optimistic, and focuses on long economic cycles that may indicate the start of strong economic growth; in short, a return to the "thirty glorious years".

In reality, the situation will probably be somewhere in between the two hypotheses which, although extreme, cannot be completely overlooked.

A downturn in the forecast?

The road that would lead us back to strong, sustainable economic growth would only take us part of the way. Repeated financial and real estate crises would contribute to the weakening of the global economy. Following its expansion to the Eastern countries, without thorough reform of its institutions the European Union would be partly paralysed. Financial transfers to these new members would put a financial strain on the countries of Western Europe. These very countries would have to sustain rapidly increasing social expenses due to the ageing of the population (health/retirement pensions) and the rising number of people left out of the economic development. Consequently, mandatory taxes and social security contributions would continue to rise, thus undermining the competitiveness of companies causing them to lose their market share in the export sector.

Ile-de-France would undergo a certain geographic recession, as the centre of gravity would shift toward Eastern Europe. The downturn would be accentuated by elements specific to the Ile-de-France economy, which is marked by a concentration of activities that come under government policies that the state could no longer sustain: public research, armament, aeronautics, administrations, etc.

Essential reforms left unaccomplished and confusion regarding jurisdictions between state/regions/departments/community associations/communes would only worsen and have a detrimental effect on regional planning. Competition among communes to attract businesses would be the rule: the strongest – those with the most advantages – would survive; the others would have no choice but to fall into a downward spiral of unemployment, debt and social problems.

Or ensured growth?

1997 would mark the end of a cycle that started after World War II and culminated in 1973. Growth subsequently dropped significantly and hit a low in 1997. Concurrently, inflation culminated in 1980 in the country, its indebtedness in 1989. The global economy would thus enter into a new "golden era" (renewed growth, inflation and debt in check) that would lead to prosperity over 30 years. The United States have already begun the golden era, and Europe is expected to join this turn-of-the-century movement.

These optimistic perspectives could be applied to France and Ile-de-France. France would tho-

Three scenarios of business locations in Ile-de-France

A "prospective" reflection group on location shifts regarding economic activities in Ile-de-France was put together by the Iaurif with the help of outside experts. The objective was to freely reflect on the possible development of the economy and local areas in of Ile-de-France. This involved identifying strong tendencies and drawing up scenarios. The project centred on relationships between business locations and periods of economic cycles:

- An upward/trend: a rise in prices (real estate then land) due to increased demand and businesses have more of a tendency to locate in the outer suburbs.
- A downward trend: a drop in demand leads to a decrease in real estate – and sometimes land – prices; businesses therefore tend to return to more centrally-located areas.

Three scenarios were proposed for Ile-de-France:

1. Continuation of the "natural" movement of de-congestion:
   This initial scenario extends the historical movement of de-congestion: jobs continue to decrease in the central zone due to the wide distribution of jobs throughout the region
2. A global downturn in Ile-de-France:
   Not very realistic according to the experts, this scenario is also the least desirable. It sets forth the difficulty of Ile-de-France to adapt to competition in fields of activity where she used to manage to stay up the leader.
3. A tendency toward specialised areas:
   This scenario describes areas with growing economic specialities. Sectors are concentrated around several unevenly distributed poles in Ile-de-France, the distinctive characteristics of which are developing.

roughly benefit from this new-found prosperity. Following the implementation of the Euro, the construction of Europe would be completed by a progressive adjustment of taxes, social policies and regulations between European Union member countries. Considering this, the handicaps specific to France would abate and our country would benefit from real competitiveness in Europe.

Ile-de-France, as well as other metropolises, would be one of the pillars of an expanded Europe, and the bridgehead of southern European countries. European regions having undergone new zoning actions to meet essential size requirements, would have real powers with regard to urban planning, economic development, transports, higher education and research. They would have full capacity to ensure coherent development of their territory. They would collect revenue derived by business taxes and would be in charge of local redistribution in order to curb regional disparities.

This new-found growth, coupled with an economic dynamic driven by an efficient regional system of administration, lightening local economic contrasts, would enable Ile-de-France to regain good economic balance within an employment structure based on co-operative programmes (region/communes associations/companies).

Three scenarios of business locations, including hypotheses of economic growth and recession as well as their implications in different areas in Ile-de-France[1] can be underlined and explained page 100.

Economic challenges in Ile-de-France

Whatever the ultimate level of global economic growth and institutional developments in Europe and France, Ile-de-France will be faced with significant economic challenges in the coming decades. The first chapter sets out the difficulties that the region encountered in the 90s. However, a certain awareness has since arisen: it is generally agreed that from now on economic development in Ile-de-France is no longer "self-evident"; the loss of "secondary" jobs are no longer largely compensated by the creation of "tertiary" jobs; objectives regarding the restriction of demographic and economic growth in Ile-de-France – which were the source of a 30-year urban planning agenda – would certainly have to be revised. These economic challenges can generally be divided into three levels: international, regional and local.

International challenges

In the framework of a global economy, where capital and companies are becoming increasingly mobile, the competition among regions world wide is tightening in their efforts to attract these mobile investment opportunities[2]; in light of this, six thousand or so development agencies are promoting their economic local areas. European regions will be in the same competition; with the implementation of the Euro, costs (labour, real estate, taxes) will be immediately visible, thus allowing for a transparency that will eventually be disadvantageous for less competitive regions. Ile-de-France, of course, benefits from many assets to attract investors and international companies. But so do other metropolises, which have been able to better define a clear economic strategy based on strong communication and promotional capacities, such as London (finance) and Randstad (distribution).

Regional challenges

As we saw in the first chapter, there are some shady areas in the economy of Ile-de-France: difficulties in creating sustainable jobs and declining sectors such as technological research, finance and defence. According to the statistics, this relative decline appears where the region's development was not well oriented since the early 90s. Therefore, it is essential to stimulate strong economic dynamic in order to effectively fight against trends that can sometimes be detrimental to the regional economy.

Local challenges

As described in chapter 2, employment and business locations in Ile-de-France are revealing increasing disparities. Can we permit a tendency toward coexistence of various economic areas with, on the one hand, "winning" territories – attractive due to their easy access, a network of companies and quality services – and, on the other hand, "loser" territories – less accessible, activities on the decline, few services and occasionally confronted with significant social problems? The challenge is certainly not easy to take up. In fact, despite considerable efforts and investments, certain districts with social difficulties unfortunately continue to spiral downwards into decline. In due time, however, it is the future of the entire metropolis that is at stake. In the context of international competition, factors such as social cohesion, standards of living, security and the quality of the environment – with comparable economic assets considered – will mark the differences between metropolises. Therefore, sustainable development that effectively reconciles economic growth and the maintenance of a natural and social balance is certainly the best way for a metropolis to reinforce its competitiveness.

A targeted economic development strategy

What solutions do such challenges call for?

From an optimistic perspective – as described in the beginning of this chapter, where European regions would actually be in charge of economic development – it would come under the responsibility of the regional administration to define and implement an effective economic development strategy.

However, even if this perspective should one day materialise, it is still a long way from happening and Ile-de-France must take into account its particular situation, which is distinguished by many economic actors: government services (influence), the region and its affiliated organisations, departments and their committees for economic expansion, Chambers of Commerce, local development actors (communes, various associations, business managers' associations, trade union associations). The number of actors is not a problem in itself, as long as they implement a common economic development project, each at their own level and according to their specific competencies. Today, co-operative actions are limited and divided, as there is no particular framework of reference. This is why it appears essential to define a common economic development strategy in Ile-de-France that would reinforce the actions of various actors.

An economic development charter for Ile-de-France

The economic development strategy could take on the form of a charter; a flexible, non-statutory charter that would adapt through time. It could initially set out the main themes of the policies to be implemented in major areas of the regional economy: research, production,

(1) See "Employment and territories in Ile-de-France" for further details.

(2) According to the United Nations, the number of multinational is estimated to 37,000 where 73 million salaried people work.

logistics, financial activities, business services, services for private individuals. The second part could include supportive measures for economic activity: training, technical and financial aid, economic intelligence, business property and economic business zones. A third section could focus more particularly on local development, by indicating leads for targeted actions according to the typology of local areas: specialised poles, developing sectors, sectors in temporary decline, sectors on the decline.

The charter could be drawn up by the region which is competent with regard to economic development and urban planning. This should involve a collaborative effort including the principal economic actors, as the role of the Regional Council is to stimulate impetus and co-ordinate. Naturally, the charter would not be of an opposable nature, but rather a guide for the actions of the partners involved in its creation. It could be at the source of a "mobilising project" likely to stimulate an economic dynamic in Ile-de-France.

Periodic evaluations would be advisable to allow for a continuous adaptation of its objectives.

Three key areas could make up the substance of the regional action in the charter:

- International promotion of Ile-de-France
- Support innovation in "high-tech" companies
- Back a social economy

Ile-de-France: a top rate world metropolis

The first key element for the stimulation of a local economic dynamic: reinforce international promotion of Ile-de-France.

Competition is growing between metropolises that seek to attract companies, international organisations and major leisure, cultural and scientific infrastructures. Metropolises that are coming ahead in this race are, of course, those that benefit from essential basic assets. However, they also know how to promote their assets; in other words, they construct a positive "image" of their economic performances and their standard of living. Ile-de-France has room for improvement in this area, and several solutions could be considered.

Targeting channels that need improving

The technological potential of Ile-de-France is certainly not always well perceived abroad. It is essential to gradually build the "image" of a technological metropolis by identifying development channels for the 21st century, such as biotechnology or multimedia. Ile-de-France has real assets in these fields, but they must be supported through strong communication policies and followed up continuously. Technical sales leaflets and specific brochures could be designed and updated regularly. Well-adapted communication tools could be used to present such channels in specialised trade shows and made available to the Ile-de-France actors concerned.

Reinforced organisation for attracting investment and companies

Associating agencies in charge of promoting all or part of the Ile-de-France region is indispensable; it is the only way to ensure true coherence in prospecting campaigns abroad. This association shall be facilitated by the implementation of tools that are common to the different Committees for Economic Expansion. The regional project, Sigarif (centre for localised economic information), is the initial step in this initiative. Resource centres that provide professional assistance to business managers or foreign investors could be set up in a few strategic locations in the region: Paris, La Défense, international airports.

Reinforcement of services on an international scale

This essentially involves:

- accessibility and functioning of international airports
- improvement of services provided by convention and exhibition centres
- accommodations and travel within the metropolis
- the command of foreign languages by Ile-de-France residents
- development of international education opportunities
- easy access to cultural and leisure infrastructures

A communication and promotional strategy

This requires the elaboration of a strategic plan of action, drawn up through a co-operative effort by different organisations in charge of promoting Ile-de-France. Such a plan would allow for the co-ordination of the communication policies in each organisation, and enable them to participate in international trade shows.

It would also define a common strategy regarding the implementation and contents of websites that would present all or part of the assets in the region. The project manager for the communication and promotion of Ile-de-France should be the Regional Council, in collaboration with the principal actors of Ile-de-France.

Continued follow-up

- Follow-up on the international image of Ile-de-France. The main assets of Ile-de-France should be developed on an international scale, such as its easy accessibility, excellent transportation system, skilled labour and research potential. However the transmission of less favorable data such as pollution peaks, insecurity or penal tax measures directed at companies could be corrected by a large communication policy to mitigate those negative impacts.
- Monitoring of the strategic positioning of Ile-de-France with regard to economic development. In the early 90s, the Iaurif and, more recently, the Chamber of Commerce and Industry of Paris, conducted studies concerning the positioning of the region in relation to its competitors. Ile-de-France must be monitored regularly in order to identify the strengths and weaknesses of the region and, particularly, how they evolve through time.
- Monitoring of development strategies implemented in key competing metropolises. The first step is the participation of Iaurif and Aie in the Eurodata group, formed in Brussels. However, the region must go a step further and adopt benchmarking approaches regarding certain particularly high-performing metropolises.

Ile-de-France, an innovative region

The second key element for the stimulation of a regional economic dynamic: strong support for innovation. In the framework of global economy – where competition is intensifying – the ability to innovate has become a decisive asset for the future in terms of competitiveness and employment. This concerns all sectors of activities such as industrial, service-oriented companies and trade. Following are different proposals for providing support.

(3) See box page 104

Create new, innovative companies

While the creation of companies is a strong asset of the Ile-de-France region, few are those which are the fruit of research projects. The law of innovation, which provides a number of solutions to the current obstacles, should be supported by specifically-targeted measures in Ile-de-France: increase in the number of training programmes for the creation of companies and the development of innovation, creation of companies "incubators" associated with establishments of higher education or public research organisations, creation of a regional priming and pre-priming fund, etc.

Support and stimulate innovative corporate efforts

Companies have significant needs regarding innovation. These needs could be supported by a specific policy in favour of research conducted closely with companies, improved information regarding companies, the creation of laboratories that combine research and small and medium-sized companies and industrial firms, etc. Actions taken by the Research technologie centers could be reinforced and extended to high-tech services such as computer services, financial activities, telecommunications companies, etc.

Improve co-operative methods between public research and companies

It is not easy to effectively structure projects between public research and traditional small and medium-sized companies in Ile-de-France, where the economic fabric is dense and complex. Although small and medium-sized companies and industrial firms have enormous potential, establishing a dialogue with the research sector has not been easy. The creation or support of professional interface structures in association with establishments of higher education is projected. Likewise, regional aid for innovation and technological transfers (Aritt), though to be quite effective, could be extended. "Achievement bonuses" could be created for particularly successful collaborations.

(4) in this respect, 60% of the job offers in Ile-de-France do not go through the national employment agency (Anpe).

Attract innovating companies and researchers in key technological fields

The technological future of Ile-de-France also depends on its grasp of key technologies which are insufficiently developed in the region. It is essential to identify "strategic fields" for the development of research potential, and recognise the principal companies and research centres that concentrate on these fields in developed countries. Specific actions could thus be taken to promote Ile-de-France among such actors, either in an effort to attract them or encourage collaborations with Ile-de-France companies. This initiative would include service-companies specialised in corporate consulting: intellectual property consulting, investors and financial consultants, specialists in innovation, etc.

Support innovative local areas

Local areas help contribute to the economic development. In fact, they boost innovation under the appropriate conditions: the existence of research centres, dynamic local teams, business development areas, innovation-oriented services, etc. A policy that encourages innovation should be developed for pertinent territories; one which would concentrate and co-ordinate the aid necessary to promote their economic development.

Ile-de-France, a social commitment

An increasing number of Ile-de-France residents are encountering significant problems, as many of them are unemployed and are incapable of finding a job. Reducing social disparities is a nation-wide problem, however they are also present on a local level, where effective measures can be implemented to help bridge the gap between employment and the population. Direct relations between economic actors and persons undergoing difficulties could be developed on a local level.

This is why support for economic solidarity has been put forward as the third key element of regional action.

It requires a firm local commitment and consistent, "on-the-field" presence that could take on various forms.

Support for local projects

Numerous associations, town councils, government services and Regional Council are implementing local projects in the framework of economic solidarity. The region could support some of these projects:

- by providing technical support
- by helping to finance them
- by awarding the Regional Council's annual prize for the most exemplary projects.

Assistance for integration into the labour market

Local actions are often needed to convince companies to recruit "persons undergoing difficulties", or to make them aware of local recruitment needs[4], such as:

- supporting partnerships between institutions, companies, local employment services, training organisations, social workers
- create employment "bridges" between companies located in local economic poles and job seekers from nearby difficult zones
- create specific training structures in areas with high recruitment potential that are near high unemployment zones
- increase corporate involvement in training programmes

Support the creation of microcompanies

Today, Ile-de-France residents who try to create their own businesses encounter enormous difficulties; entrepreneurs often need strong local support to successfully launch their projects. Local agencies and associations provide assistance, however their services are limited by the inadequacy of existing structures, insufficient financial aid for the underprivileged, lack of professionalism in some existing structures and a deficiency of supportive measures due to their cost.

The Region could direct its actions toward:

- professionalising and labelling existing structures
- complete coverage of Ile-de-France (regional network) by helping create new structures
- creation of a regional fund to develop micro-credits
- help cover the operating costs of these structures in order to finance supportive measures for small companies

Prior consideration of the "frailty" of underemployed persons

Today, the "flexible" nature of job creations (temporary jobs, short-term part-time jobs) could give rise to difficult standards of living and divide the labour market. Certain characteristics that are specific to Ile-de-France (travel time, housing costs) aggravate these difficulties. Further studies are needed to:

- allow for a better distribution of jobs that favours local time-share jobs
- encourage companies to pool their resources locally in order to recruit several employees who would work for each on a very part-time basis
- improve the structure between new working hours and free time in order to be better aware of household needs and potential pools of jobs.
- take actions to facilitate access to fundamental rights, and co-ordinate them with regional interventions on housing, transports, health, etc.

Means to economic development

Well-adapted means must be implemented to boost a new dynamic economic development in Ile-de-France. It is certainly not up to the Iaurif to propose new tools. However, the association of different economic actors is essential for the effective revival of the economic dynamism in the region. Such a functioning could be applied in four areas set out below.

The strategic committee for economic development

It would seem essential for an international, first-rate metropolis like Ile-de-France to have a Strategic Committee that includes elected officials, economic actors, academics and foreign experts, and which has two objectives:
- on the one hand carry out an annual evaluation of the regional and local economies
- on the other hand based on these annual evaluations, make recommendations to the principal authorities to better ensure economic development

The committee could also provide consulting during important economic events such as the establishment of Draft Contracts, the publication of a European directive that specifically concerns the region, or government decisions that have a strong impact on certain fields of activity or research that are well-established in Ile-de-France.

Monitoring economic development

The region could be at the head of a network of public and private experts in charge of monitoring economic developments. Their aim would be an identification of the major current evolutions:
- on an international scale: financial positions, international exchanges, growing or declining sectors of activities, monitoring of direct investments in Europe, strategies of agencies in charge of development in competing metropolises, etc.
- Ile-de-France companies: mergers-acquisitions, start-ups and shut-downs, set-ups and relocations
- employment offers: temporary, fixed-term, permanent contracts, salaries, duration of work, type of training/requested.

Support for local development actors

The local challenges involved in economic development have been largely examined in this document. Local economic development projects are the best way to boost local dynamics. This is why it is essential that the region gets more involved in local development, and move toward the following objectives:
- mobilise and support local economic development networks
- inform them of interesting development initiatives being carried out in other sectors in the region
- help create and implement development projects from their local team
- support local actions in the framework of economic solidarity
- boost local projects which can solve local issues (and where no spontaneous initiatives can be found)

This local action should not only involve "declining" sectors; it should comprise all of the territories in Ile-de-France, including "specialised areas", the development of which is essential for the region's economy.

Distribution of "economic intelligence"

Ile-de-France is a large metropolis with many economic actors and information dispersed throughout numerous services, where assistance for companies and fiscal breakdowns can be quite complex. It is certain that the manager of medium-sized business, and of very small companies, could have difficulties in managing such a complex institutional and economic environment. This is why it is necessary to implement an "economic intelligence" system that would facilitate access to useful information by business managers. The first step involves building a local economic database that covers the region and is updated regularly. This is the objective of the Sigarif project, financed by the Regional Council and implemented by the Iaurif. This initial stage will facilitate the set-up of resource centres for business managers, where they will be able to find useful information for the effective operation of their company. It will also help start up websites that provide information to these very business managers.

SIGARIF

The Geographic Information System for Activities in the Ile-de-France Region (Sigarif) is a computer tool based on a computerised local database that can respond to essential economic, technical and geographical requests for information submitted by business managers already located or planning to locate in Ile-de-France. Supported by the Regional Geographic Information System (Sigr) set up at the Iaurif, it collects up-to-date and local data (and in certain cases at an infra-communal level) regarding transports, telecommunications, education and research, local taxation, activities and companies, business property and information infrastructures. The system was developed by the Iaurif in collaboration with the regional administration and the Agency for the Creation of Companies, as well as with the Committees for the Expansion of Departments and the City of Paris. It is expected to be operational in the year 2000.