Housing and Communities

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Report to Plan Urbanisme Construction Architecture on progress in France's former industrial cities

CASE report 70

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Abbreviations

Abbreviation	French	English
ANRU	L'Agence Nationale pour la Rénovation Urbaine	National City Renovation Agency
CA2M	Communité de l'aglomération de Metz Métropole	Metz Metropolitan Authority
CESU	Chèques Emploi Serivces Universelles	(Special cheques to pay for various domestic services)
CETI	Centre European des Textiles Innovants	European Innovative Textiles Centre
CIADT	Comité interministériel d'aménagement et de développement du territoire	Interministerial Committee for Territorial Planning and Development
CNRS	Centre Nationale de la Recherche Scientifique	National Centre for Scientific Research
CUCS	Contrats Urbain de Cohésion Sociale	Urban Social Cohesion Contracts
DAC	Document d'Aménagement Commrecial	Commercial Planning Framework
DGCIS	La Direction générale de la compétitivité, de l'industrie et des services	Directorate General for Competitive Industry and Services
ENIM	Ecole National des Ingénieurs	Advanced School for Engineering
ENSAIT	École nationale supérieure des arts et industries textiles	Advanced Institute for the Arts and Industrial Textiles
EPASE	Etablissement Public d'Aménagement de Saint-Étienne	Saint-Étienne Improvements Agency
INSEE	Institut National des Statistiques et Études Économiques	National Institute of Statistics and Economic Studies
IRCICA	Institute de recherces sur les components logiciels et matériels pour l'information et communicationadvancée	Research Institute on Hardware and Software Components for Information and Advanced Communications
IRT M2P	Institut de recherche technologique métallurgie, matériaux et procédés	Institute for Research in Metals, Materials and Processes
LMCU	Lille Métropole Communité Urbain	Lille Metropolitan Authority
MAUD	Materiaux et Applications pour une Utilisation Durable	Materials and Applications for a Sustainable Use
OECD	Organisation de Coopération et de Développement Economique	Organisation for Economic Cooperation and Development
ONZUS	Observatoire National des Zones Urbaine Sensibles	National Observatory for Deprived Neighbourhoods
PADD	Projet d'Aménagement et de Développement Durable	Planning and sustainable development plan
PICOM	Pole de Compétitivité des Industries de Commerce	International Retail Industry Cluster
PLU	Plan Local d'urbanism	Local Housing Plan
PME	Petites et moyennes entreprises	Small and Medium Enterprises
SCOT	Schema de Cohérence Territoriale	Land planning framework
SME	(English)	Small and Medium Enterprises
TEAM	Technologies de L'environment Appliquées aux Matières et Matériaux	Sustainable Technologies applied to materials and waste products
ULCOS	(English)	Ultra Low CO2 Steelmaking
WMC	(English)	Weak Market Cities (programme)
ZAC	Zone d'Aménagement Concontrée	Comprehensive Planning Zone
ZFU	Zone Franche Urbaine	Urban Free Zone
ZUS	Zone Urbaine Sensible	Deprived neighbourhood

Executive Summary

The LSE / Brookings Institution Weak Market Cities Programme

The Weak Markets Cities programme is run jointly by the London School of Economics, UK the Institute for Regional and Urban Development (ILS), Germany, and the Brookings Institution, Washington DC, US. The main focus of our research is on:

- how weak market cities are faring in today's difficult **economic circumstances**, and uncovering innovative approaches to enterprise;
- the impact of neighbourhood programmes on **social integration, skills development and job access;**
- the impact of the **climate change agenda and environmental resource constraints** on the recovery trajectory of these cities.

This report funded by Plan Urbanisme Construction Architecture (PUCA) focuses on what we can learn from French weak market cities:

- French cities offer models of density, imposing city infrastructure projects, remodelling the public realm, and a strong state role alongside decentralisation.
- The participation of French experts is an invaluable means to understand the recovery processes of other European and French cities.
- Many French urban initiatives offer lessons which we can learn.

The Weak Market Cities research is supported by the City Reformers Group and generally focuses on the following key questions:

- What is the shape of the new urban economy that is emerging in European cities and its main characteristics?
- How successful is urban upgrading and place making?
- How do special projects targeted on distressed neighbourhoods help integration, involving residents in decision making and building more sustainable communities?
- How far are 'green technologies' and innovations driving new economic growth? What are the prospects for a less damaging form of economic development?

Three stages of industrial development

The report sets out three stages of industrial development as the background to the framework for understanding urban change. The first stage had **explosive growth**, environmental exploitation, and social upheaval. The second covered a **period of decline**, with programmes to tackle and reverse the decline in former industrial cities, including public infrastructure, social support, and new economic initiatives. The third emerging stage of a **resource constrained economy** focuses on innovative, lower-impact approaches, capable of mitigating the impact of climate change.

The **resource constrained economy** is also the '**green economy'** and is supported by the French climate change legislation and targets. New skills, innovative technologies, and local level entrepreneurship will be needed for this. Cities are discovering new roles in planning and promoting programmes of work around key areas such as building insulation, public transportation, new skills development, and lower impact, more sustainable city development. There is opportunity in French cities, and other European cities studied as part of the Weak Market Cities project, to develop new leading edge technologies based on their historic industries and engineering base.

Lille, Metz, and Saint-Étienne

Three cities are examined in this report – Lille, Metz, and Saint-Étienne. Each of these cities experienced major 19th industrialisation, followed by rapid and significant reductions in core industrial jobs during the post WW2 period. For example, nearly half of industrial jobs were lost in the Lille region between 1967 and 1992, and the same in Saint-Étienne between 1970 and 1995. The Metz region was similarly hard hit. The consequences of this decline continue to mark the cities – each has lower than the regional income, and higher than the national rate of unemployment, and a disproportionately large workforce with no or low educational qualifications. In spite of this both Metz and Lille have higher than average numbers of residents educated to tertiary level. All three cities have a weaker population growth than the national rate, and in Saint-Étienne there is still population outflow. This weak growth extends to their metropolitan areas, indicating a difficulty in attracting new (and potentially better qualified) workers. In Lille, however, planning and housing policies have led to a greater population increase in the City area rather than the suburbs.

City characteristics

The population structure of the cities varies from the national norms, with a disproportionately large under 25 population in Lille, and a disproportionately large older population in Saint-Étienne, partly due to its families moving to the suburbs. There is a weak housing market in all cities, with levels of owner occupation below national averages and less expansion than in France as a whole. In the rented sector each city is different – a sharp increase in private renting in Lille, a small growth of social renting in Metz, and an overall decline in renting in Saint-Étienne. These population figures reflected in the housing market suggest that these cities continue to struggle with the legacy of de-industrialisation.

Figure 1: Population and employment characteristic of the three cities

Characteristics of cities	Lille	Metz	Saint-Étienne
City population (2008)	225,784	122,838	172,696
Metro population (2008)	1,105,080	374,680	220,687
Loss of Industrial Jobs 1960-90	400,000	153,000	84,000
Unemployment 1999 (%)	19.5	14.3	17.1
Unemployment 2008 (%)	16.8	13.2	15.7

Source: INSEE, 2011

Cities and their metropolitan areas

In addressing these problems, each city has developed close cooperative relations with their wider metropolitan and sub-regional communes. They have joined wider groupings to increase their competiveness by sharing services and building the economic and social attractions of the city. For Lille and Metz this includes international cooperation. Lille looks to the London-Paris-Brussels-Cologne-Ranstadt metropolis as key to its growth. Metz regards Luxembourg and closely neighbouring parts of Germany as integral to its economic planning.

Changing the image

The cities have also undertaken explicit consultation and planning to 'Renew the city'. Lille has pioneered an explicit strategy to rebuild a socially and functionally mixed, physically dense city. Saint-Étienne has tackled its image through public works, such as the 'Heart of the City' renewal project. Metz has restored its historical centre and stressed its historic role in the local region.

Culture has played a big part in image building. The new Pompidou Centre in Metz, Lille's European Year of Culture 2004, and Saint-Étienne's promotion as a City of Design (backed by UNESCO recognition) have attracted both visitors and business. These cultural initiatives are often linked closely to improving the more disadvantaged areas of the cities.

Countering urban sprawl

There are specific actions to stem urban sprawl, particularly through the urban planning (SCOT[1]) and development (PADD[2]) mechanisms, but also through new urban public transport investment. Every city highlights the problem that business parks are easier to

[1] Schema de Cohérence Territoriale (land planning framework)
[2] Projet d'Aménagement et de Développement Durable (planning and sustainable development plan)

create on greenfield sites than within built-up areas, and suburban homes with gardens are often more attractive, particularly to young families.

New economic clusters

Economic development in each city is emerging around new clusters and flagship projects, often linked to university research. These build on the industrial history of the area, and are often located in or near ex-industrial and more deprived areas of the city.

- Lille has a long history of tertiary industries and its leading employers include large banking and insurance firms. It also promotes smaller and community based start-up ventures. Reuse of rehabilitated ex-industrial buildings in the centre lends itself to incubator-clusters. It is stimulating its previous agricultural sector, and modernising a previous mail order businesses to meet new opportunities for distance sales.
- Saint-Étienne has rebuilt its old armaments factory and restored the surrounding neighbourhood to create a mixed high tech design and research complex, mixed with housing. Optical firms are clustered there. Its economic strategy is strongly linked to the success of the wider Lyon metropolitan area.
- Metz is now recognised as a leading centre for high-tech, ultra-engineered materials, as part of the Grenelle[3] environmental agenda. It is also developing expertise in logistics, communication, and transportation, similar to Lille's approaches. Overall there is a clear mix of large scale high-visibility projects and many small and medium sized enterprises (SME). Over half the businesses in the cities are under 5 years old, and most are SMEs. These are together the main employers in the cities, a big shift from the industrial hey-day when a few large industries dominated.

Green innovation

There is also a clear focus in the 'green economy' in the types of projects emerging in the cities, including the development of environmentally sound industrial, commercial, and residential buildings, within a denser city infrastructure. It is reflected in many flagship projects around reducing the carbon footprint of transport, logistics, new materials, waste energy production, use of ICT to minimise energy usage, green goods distribution and exchange. There are potential new skills and industries around insulation and green energy production, although these are at an early stage of development in the cities.

[3] French climate change law – see Box 10

Reinvesting in poor areas

Actions to address more disadvantaged areas of the cities include major programmes to rehabilitate the most run down estates in the cities. The scale of problems is very different in Lille metropolitan area where almost one in five residents lives in an area officially classed as ‘at risk’ compared to Saint-Étienne where only 7% of neighbourhoods meet this official definition, although a quarter of the city forms part of centrally funded improvement areas.

The aims, costs, and overall shape of the work ranges from €480m in Lille to rehabilitate over 10,000 homes to €60m in Metz to treat 3,000 homes. Demolition, rehabilitation, the construction of owner occupied homes to increase social mix, and environmental improvements were elements of all the programmes. Clear improvements were visible in many neighbourhoods though the improvements were still ‘fragile’ and we were told in a number of places that progress might be reversed by a tailing off of improvement work.

The gap between poorer neighbourhoods and the rest of the city has shrunk in levels of employment and skills between 1999 and 2006. However concentrations of poverty in the very poorest areas and the gap with the rest of the city continue to grow.

Action on climate change

There is an obligation on public bodies – including and particularly cities – to take steps to mitigate the risks of climate change and develop a green economy. This requires engaging with residents directly in the process of reducing energy consumption and tackling key environmental issues. Each city has engaged to a greater or lesser extent through the ‘Agenda 21’ local programme and related actions. There are common themes:

- urban planning restraint to re-densify the city;
- a focus on public transport and cycling;
- actions to insulate prioritised buildings;
- engaging the public in the green agenda; and
- a focus on environmental improvements to public buildings and facilities like swimming pools, markets and commercial spaces.

Lille is the most active in this area with three successive action plans since 2000, and several policy and promotion documents to win support from residents and businesses. Lille City makes explicit links between the green agenda and tackling social deprivation. Lille aims to develop ‘eco-citizens’ rather than just doing eco-works programmes. Saint-Étienne engages its population through citizen challenge competitions, with guidance on ‘going green'. The development of new green skills (for example in building insulation or renewable energy) is an aim in each city, but none has yet developed large scale systematic local training and work programmes, though Lille is making fast progress in this direction.

Figure 2: Common patterns of recovery

Action	Lille	Metz	Saint-Étienne
City Centre Upgrading	✓✓	✓	✓
New and restored public spaces	✓	✓	✓
Cultural initiatives	✓✓	✓✓	✓
Upgraded public transport	✓✓	✓	✓
Renewal of worst estates	✓✓	✓✓	✓✓
New Metropolitan Area Economic bodies	✓✓	✓✓	✓✓
High tech new industries	✓✓	✓✓	✓✓
High tech industry building on traditional manufacturing skills and history	✓✓	✓✓	✓✓
Tourism	✓✓	✓✓	✓
Targeting low income unemployed	✓✓	✓	✓✓
University partnerships	✓	✓✓	✓
Seeking social mix in city	✓✓	✓	✓
Public sector leadership	✓✓	✓✓	✓✓
Development of 'green' agenda	✓✓	✓	✓

New financial pressures

The impact of the current financial crisis on cities poses major challenges in the near future. During the 2008-09 recession the cities suffered increased unemployment on a similar scale to the national average. During that period industrial jobs continued to decline locally as a proportion of the total job market, a pattern which precipitated the decline of the cities over 40 years ago. There was a slight recovery during 2010, but the current downturn in 2011 is still to be played out. In Saint-Étienne the downturn was countered by the €333m public works investment programme under way. In Lille the high level of tertiary employment protected the city to some extent, although the wider region was severely affected. An expansion of new self-employed jobs was a response to new, more flexible rules.

National and international problems threaten to undermine progress

The level of debt in the cities of Lille and Metz are low. Saint-Étienne had severe problems due to high level investment under the previous (Conservative) mayor to support major building projects. This debt problem has been brought into much tighter management under the current (Socialist) mayor. Lille Metropolitan area has the highest level of metropolitan debt (over €1,400 per resident). However, current figures from the French audit body, le Cour des Comptes, and from OECD, suggest that the level of debt held by local public bodies, including the three cities, is at a manageable level.

France has high levels of public expenditure – exceeded in Europe only by some Nordic countries. Steps taken in 2011 directly attempt to reduce these levels of debt and deficit, almost certainly already having an impact on the level of funding for city renewal. Private finance is also much harder to obtain. City leaders worry about what will happen next, and the impact of cuts on progress to date, not least because they see the progress as partial and vulnerable to reversal.

Part One: Background and Overview

Chapter One: Introduction, aims, and approach

1. The Weak Markets Cities (WMC) programme is run jointly by the London School of Economics, UK; the Institute for Regional and Urban Development (ILS), Germany; and the Brookings Institution, Washington DC, US. . The main focus of the research is:
    - **Economy and skills**: to learn how European weak market cities are faring in today's difficult economic circumstances, and uncover innovative approaches to enterprise
    - **Environment and climate change**: to understand the impact of the climate change agenda and environmental resource constraints on the recovery trajectory of these cities.
    - **Social interaction**: to pin-point the impact of neighbourhood programmes on social integration, skills development and job access
2. We have studied French urban policy and delivery throughout this programme and in previous research over the last twenty years, and believe that there is much to be learned from the contrasting structures, approaches, and experiences in France. Specifically:
    - French cities offer models of density, urban population growth, public infrastructure, and a strong state role alongside decentralisation which is valuable to other cities.
    - The participation of French experts is invaluable as a way of formulating ideas and developing our understanding of city recovery processes and barriers.
    - Marginalised communities within cities pre-occupy governments Europe wide, particularly concentrations of poverty in easily identifiable areas of social housing. There is much to learn from the French approach to city renewal and planning, focused 'major city renewal' projects and social cohesion interventions.

    Saint-Étienne was the French case study for our earlier 'Phoenix Cities'[4] work, but other cities (including Lyon, Lille-Roubaix, Metz, and Marseilles) provided invaluable ideas and this new research involves more French cities.
3. The Weak Market Cities research focuses on the following key questions:
    - How successful is urban upgrading and place making in renewing cities and countering the appeal of suburbanisation? How does urban renewal activity contribute to urban recovery, including jobs and energy efficiency? And how do we reconcile the goal of a greater social mix and retaining existing residents?

[4] Power et al 2010 '*Phoenix Cities'*

- What is the shape of the new urban economy that is emerging in European cities and its main characteristics? What signs of resilience are there in companies and jobs? How significant is the role of small companies? What is the role of research-based start-ups? In what fields?
- How is urban recovery affected by resource constraints, financial uncertainties and climate change? How do these problems impact on urban economies and governance? How far do the current financial troubles in Europe undermine urban initiatives?
- How do special projects targeted on distressed neighbourhoods help integration, creating a more balanced social mix, involving residents in decision making and building more sustainable communities?
- How far are 'green technologies' and innovations driving new economic growth? What are the prospects for a less damaging form of economic development?

4. Our research methods have involved direct involvement with city actors dealing with these problems in France, partly through an expert consultative network, known as the 'City Reformers Group'. The LSE research team is working with German, UK, Italian, Spanish, French, and other EU; and US partners to further our understanding of urban recovery and sustainability in order to produce solid findings in 2012. This report applies the framework and questions outlined above, to the cities of Lille, Saint-Étienne, Metz, within their regional and sub-regional contexts,
5. We have collected evidence on the ground from site visits, interviews and local documentation, rather than relying on theoretical models, remote sources and political rhetoric. The work was consolidated by a two day workshop in Lille at which participants from other 'weak market cities' (including St Étienne) were present[5]. This hands-on approach, which we use in our work, provided participants the opportunity to exchange in-depth information and experiences (detailed, realistic, exposing problems and failures alongside successes).
6. This report looking in detail at how things operate in these French cities, seeking to understand in depth how things work by using evidence from the ground up, rather than providing a top down evaluation of urban policy in general. The evidence presented here will also feeding into a more overarching 'International Handbook' which will provide quantitative and qualitative information about nine cities in five counties and the approaches which have made a difference in each. These two reports are part of the wider series of WMC studies (including the 'Tale of Seven Cities'[6] and 'Phoenix Cities' [7]

[5] A summary of the Lille Workshop is at annex 1
[6] Power, A. Plöger J. Winkler A, & Lane, L. 2008, *Tale of 7 Cities*
[7] Power, A. Plöger J. and Winkler A 2010, *Phoenix Cities* The Policy Press, Bristol

both of which include Saint-Étienne), and are supplemented by additional reports on the WMC programme, and regular meetings of the City Reformers Group, available on the LSE website[8].

7. Finally, please note that throughout the report quotes in italics are taken from the comments of local officials and other commentators (unattributed except where relevant to indicate the city or general source), or in some (indicated) cases from members of the City Reformers Group (which includes representatives from other cities). This is in line with the methodology outlined above

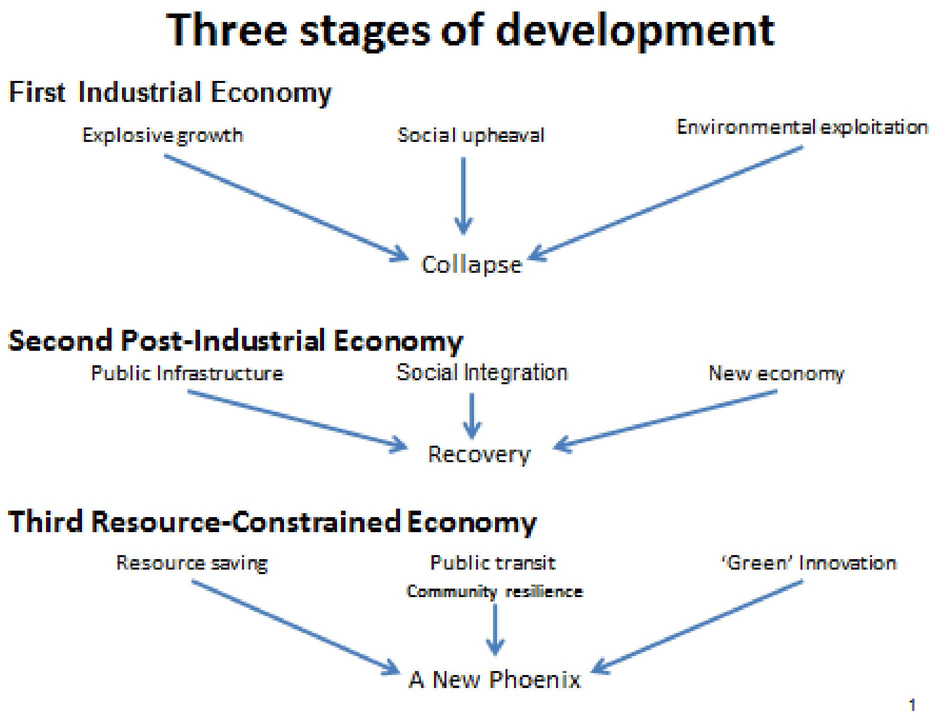
[8] http://sticerd.lse.ac.uk/case/_new/research/weakmarketcities/default.asp

Chapter Two: Background to France's urban legacy

Three stages of industrialisation, and de-industrialisation

1. Previous WMC reports have set out the context of a range of European and North American cities that have experienced acute loss of purpose over the last generation, going from urban industrial giants to shadows of their former glory and pre-eminence"[9]. The financial crises of the last three years are taking place in a context of increasing urgency to address climate change, and an increasing shift of major elements of industrial production towards emerging industrial economies. This section sets out a model of the three phases of the development of industrial cities over the last 150 years[10] which could be termed the 'production and consumption bonanza', the 'struggle to retain ground' and the 'transition to the lower resource economy'.
2. An outline of this approach is sketched out in figure 3[11].

Figure 3: Three stages of industrial development



3. In outline, we can see that the **first industrial economy** was marked by explosive economic growth, with intensive use of resources, rapid and unequal wealth accumulation, and a huge increase in industrial output – the production and consumption bonanza. On the one hand this subsequently led to major social transformation including

[9] ODPM 2004, cited in Power, A. et al 2010 p3.
[10] This tripartite model has been developed as part of the Weak Market Cities programme at LSE/Brookings
[11] A fuller version is in Power et al 2010 p 363

a large and unprecedented rise in living standards, massive growth in the wealth of western nations spreading slowly to other parts of the world, and after a century or more of intense squalor, huge improvements in health, education and housing.

4. On the other hand, and of importance in relation to weak market cities, this stage also led to hugely damaging outcomes - shifts of populations to overcrowded slums, dislocation of social networks, rising inequality alongside an exploding middle class, and the development of an increasingly alienated and excluded industrial workforce. Alongside this was the unprecedented and continuing environmental impact through the mass extraction of primary materials, a massive explosion in the use of energy, loss of biodiversity, damaged ecosystems, land contamination, the start of the build-up of greenhouse gasses, and competition for space and resources. These phases were all present in the three case studies cities examined here.
5. The second stage we identify is the **post industrial economy** – characterised by the struggle to regain ground in relation to many of the problems identified above. There is not a clear line between one and the other. For example there were constant attempts during the first period to address the more extreme manifestations of deprivation, slum housing, and inequality. These were often philanthropic actions which led to subsequent state sponsored activity such as the various moves to provide better housing and basic services to all parts of the population, which continue to the present. There were, and continue to be, major changes in the economic and financial frameworks and patterns of economic development, through two world wars, the depression of the interwar period, the post war boom, 1980s deregulation and dotcom revolution, and now the fiscal crisis of the early 21st century. But the focus of the WMC programme is the cities who were the victims of the fallout of the decline of the first industrial economy. In this period the previous economic rationale disappeared and the city and its sub-region were left to cope with the negative aspects of the first industrial economy without any longer benefiting from the employment and wealth opportunities it had once brought.
6. This second stage therefore focused on the struggle to regain the ground following the industrial collapse – in terms of public infrastructure, reclaiming public buildings and spaces, re-establishing a local pride and identity, and building on the historical skills and values of the city to generate new jobs. It also addressed the pressing need for social integration, investment in the poorest communities, the development of new skills, a better physical environment, lower crime and deprivation. In the economic sphere it focused on developing new types of local industry, attracting new investment and enterprise from outside, developing new areas of national and international expertise, supporting local firms and small businesses, and building a new image and local culture which gave renewed life to the city. The steps taken and outcomes for the French cities

considered here indicate considerable progress – in terms of the development of major new areas of economic activity at the medium and small scale firms, and extensive improvements to the physical environment and quality of life of the most deprived communities. There is also a range of specific, and smaller, local initiatives, many of which will also be the focus of the International Handbook, and which provide concrete pointers to the future. But as will become evident here much of the progress to date has been at the cost of considerable public investment and local effort. Success remains partial and may not be robust enough in adequately tackling the main underlying problems of a still weak economic base and the still pressing and major problems of poverty and social division.

7. The future of weak market cities, profoundly affected by reductions in population and loss of manufacturing jobs, is highly dependent on the impact of the **third major industrial development stage,** the move to the **resource constrained economy**. The roots of this shift were present from the first (1973) oil crisis, which was a major element in hastening much of the de-industrialisation of the second phase. The current threat is of a different order as it encompasses a much more radical challenge to the financial and resource assumptions of the previous phases – global warming and emerging economy industrialisation. No-one knows quite what will happen, although it is already clear that the continuing rise in the price of oil and primary materials including minerals and food, the rapid rise of greenhouse gasses and other related pollutants, the international crisis of debt and financial instability, and the underlying issues of population growth, and water shortages, are challenging the previous models of western economic dominance, growth, and wealth. The consequences of these changes require a new response, which includes the development of a new environmentally sustainable 'green economy'.

Chapter Three: The case study cities - Lille, Metz, Saint-Étienne

Introduction

This section sets out the historical and industrial background of the three case study cities, illustrating in each case the rapid rise during the industrialisation period, followed by a rapid decline in the later 20th century. Each city then attempted to rebuild its city identity and economy, which is the subject of later chapters. Overall demographic, employment, and housing figures are provided in the context of the wider regional and national context, which indicates the extent of the crisis faced by each city.

Overview of the cities

1. Each of the three cities in this study, Lille, Metz and Saint-Étienne, has been subject to these hugely disruptive phases of growth, decline, and renovation. Each was a major regional and national player in the first industrial period. St-Étienne was among the first industrialised cities based on its early development of weapons moving from traditional swords and pikes to industrialised modern firearms, the latter dating from the time of Napoleon, with the development of bicycles being an offshoot of this metalworking tradition. Lille saw the rapid industrialisation of its textile industries due in part to the explosion of coal mining in the region. The social and environmental impact of this 19th century growth was immense in each of the cities, including not only scarring of their landscapes, and the creation of large tracts of industrial slum housing, alongside the development of pockets of ostentatious wealth by industrialists using the considerable profits of local industries.
2. The cities have quite different characters – Lille celebrates a long history as a textile town with ten centuries of economic and population exchanges with its Flemish and Walloon neighbours, as well as being now the prominent and active capital of its region. Saint-Étienne is a major city compared to other cities of a similar size in France (for example it is bigger than Grenoble, Toulouse and Dijon) but is often hidden within the shadow of its dominant neighbour Lyon (local people complain that "*no one ever thinks about Saint-Étienne as a major city*[12]"). Metz is an equally historically prominent town, whose history and character is profoundly influenced by 50 years it spent as part of Germany following the annexation of Alsace-Lorraine in 1871, and this history, as well as its geographical location, is partly responsible for the continuing high levels of German investment in the local economy.

[12] St Etienne Official

Growth and decline

3. The rise of each of the three cities during the first industrial phase followed a familiar pattern:
   a. Lille, a centre of textile production since the 11th century, grew during the industrial revolution due to local capital and an abundance of labour coming primarily from Flanders. There were also large regional reserves of coal in the southern basin, and metalworking and steel works in the nearby Belgian centres like Charleroi. The Lille region became the second most important industrialised region in Europe. This was also supported by the improved canal system linking Lille to Flanders, Ghent, Antwerp and other northern hubs, continuing Lille's role as a thriving market and commercial centre, and also supporting the other major industry of agriculture. In 1929 Lille was a world leader in textile manufacture and in 1954 was still one of the leading industrial cities of France.
   b. Saint-Étienne already had a booming arms industry by the 17th century and the Imperial Arms Factory was founded in 1764. It was also famed for its ribbon making and other textiles. In 1823 the first railway in France was built to aid the transportation of coal to Paris from the 200 local mines. The range of local metalwork related businesses which developed included the massive Manufrance (which produced bicycles, sewing machines, hunting weapons and other goods) and the car manufacturers who dominated the city's economy until the 1980s.
   c. Metz was different in its political development, being part of Germany from 1871 until 1918, then from 1940-1944. It has an industrial past similar to the two other cities above. The Lorraine region was a centre of coal and iron production and in 1960 the region (centred on Nancy and Metz) was responsible for the production of 90% of the national iron ore, 75% of the cast iron, and two thirds of the cast steel.
4. The impact of de-industrialisation was also similar in each (see Figure 4).

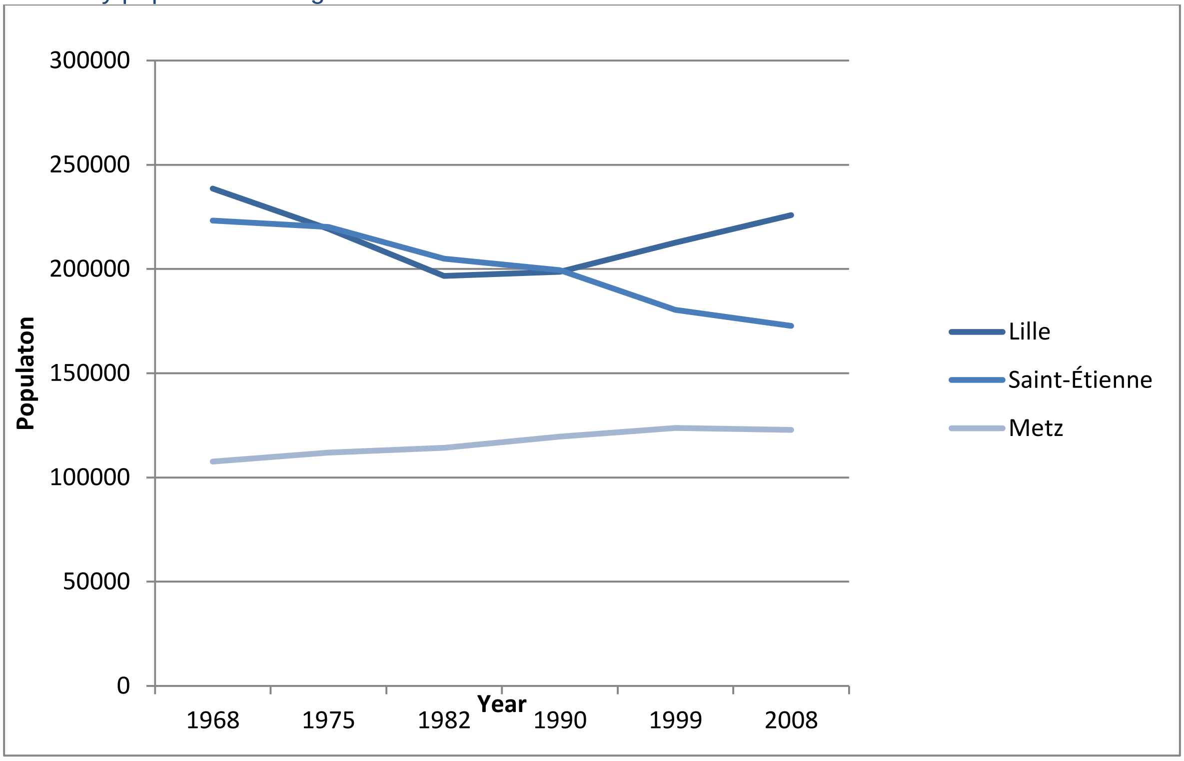
Figure 4: Industrial decline in the three cities

City	Main industries	Experience of job losses
Lille	Textiles, mining, steelworking, commerce	47% of industrial jobs lost in region between 1967-92. In total around 400,000 jobs
Metz	Mining, iron ore, steel, cars	23,000 lost in iron mining 1960-85; 130,000 metalurgy jobs between 1970-2003 (76% in this industry)
Saint-Étienne	Armaments, metalworking, bicycles, coal, textiles	59,000 jobs lost in 1950-1970; 25,000 lost 1970-1995 (45% of industrial jobs)

Population

5. The population of Saint-Étienne is declining, and has been for some time (see Figure 5). Between 1975 and 2004, Saint-Étienne lost almost 20% of its inhabitants; most were middle-class households moving out to the suburbs, but even this wider area continues a steady decline. Lille experienced a sharp dip in its population in the 1960s and 70s, although this is now growing again Only Metz shows a slow but steady growth.

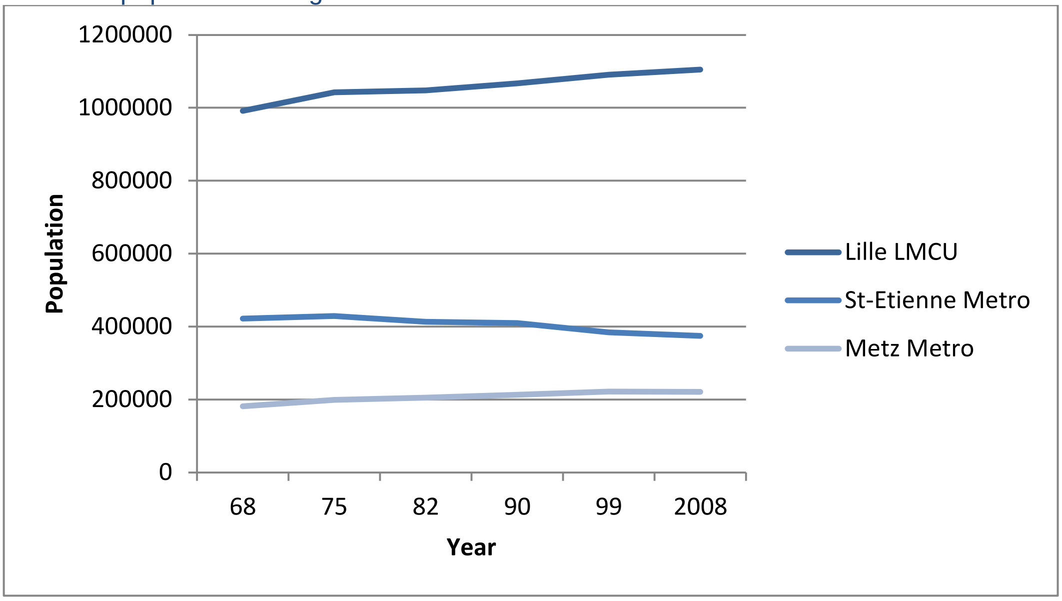
Figure 5: City population change 1968-2008



Source: INSEE 2011

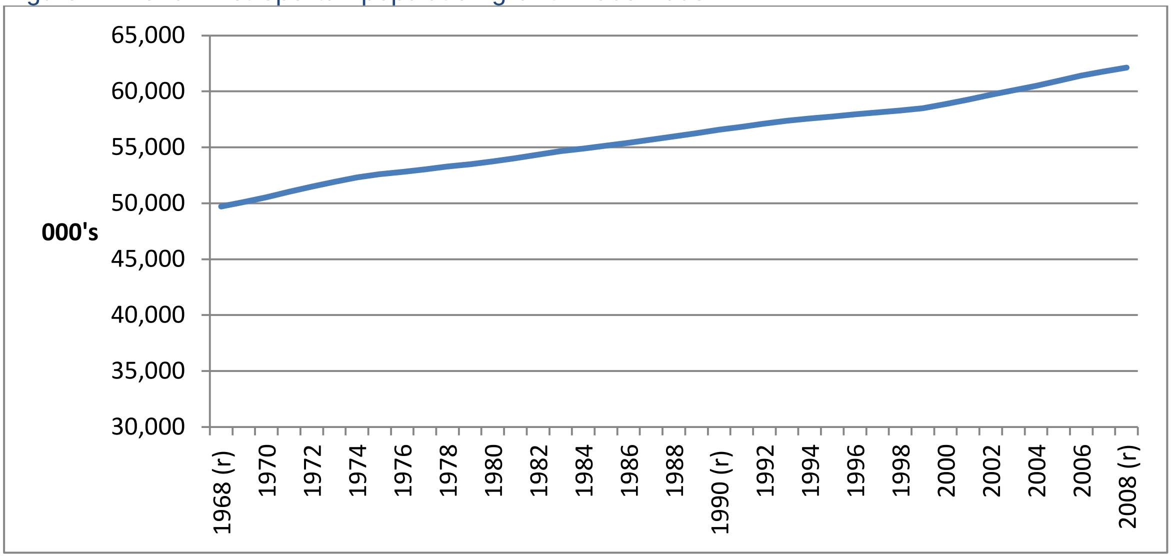
6. A similar pattern can be seen in population change for the metropolitan areas around the cities, except that the Lille metropolitan area did not see the sharp dip in the 1970. In fact there is a greater rate of growth in the City's population, rather than in the wider area, partly due to Lille's strong policies to prioritise housing development in the City and not the suburbs (aiming at a ratio of about two thirds of growth within the city boundaries to one third in the suburban area) (Figure 6).
7. By way of comparison, the overall growth pattern of the French population for the period is set out below, and shows that even the Lille Metropolitan area (the leader amongst the cities) is growing at less than half the national rate of growth for the period (11.4% compared to 24.9%) (Figure 7).

Figure 6: Metro population change 1968-2008



Source: INSEE 2011

Figure 7: French metropolitan population growth 1968-2008

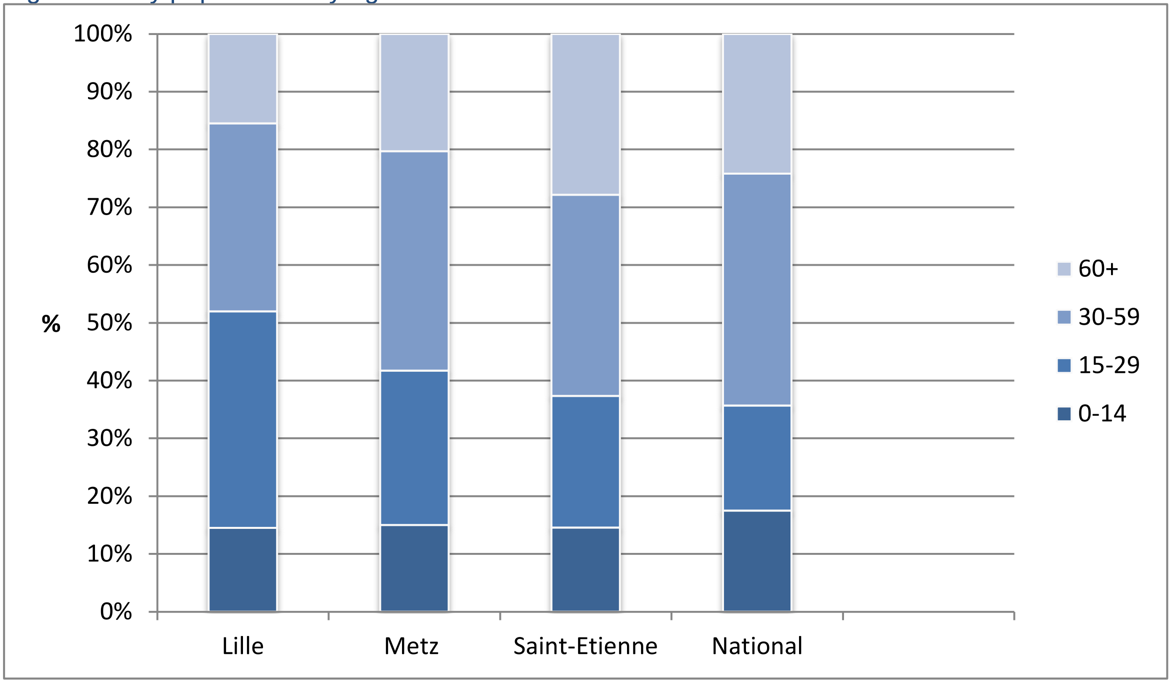


Note: (r) are revised figures
Source INSEE 2011

8. The population of Lille is disproportionately young, as shown in Figure 8, indicating that over half of the city is under 29 – which is only partly entirely explained by the large number of students in the city. In contrast the population of Saint-Étienne is considerably older than the other two cities, with over a quarter of its residents over 60. This is partly due to families moving to the suburbs as children get older[13]

[13] *"The crèches are full – but the higher you go up the classes by age, the lower the rolls become"* (St-Étienne official)

Figure 8: City populations by age

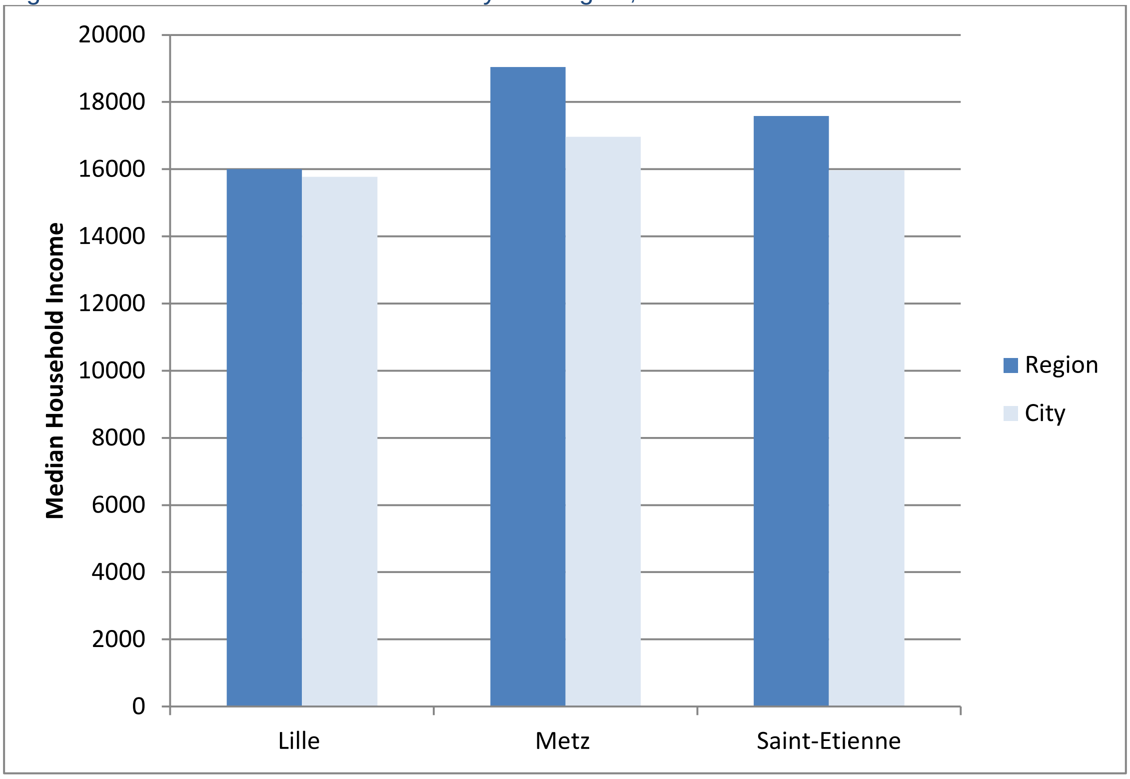


Source: Insee 2011

Employment and income

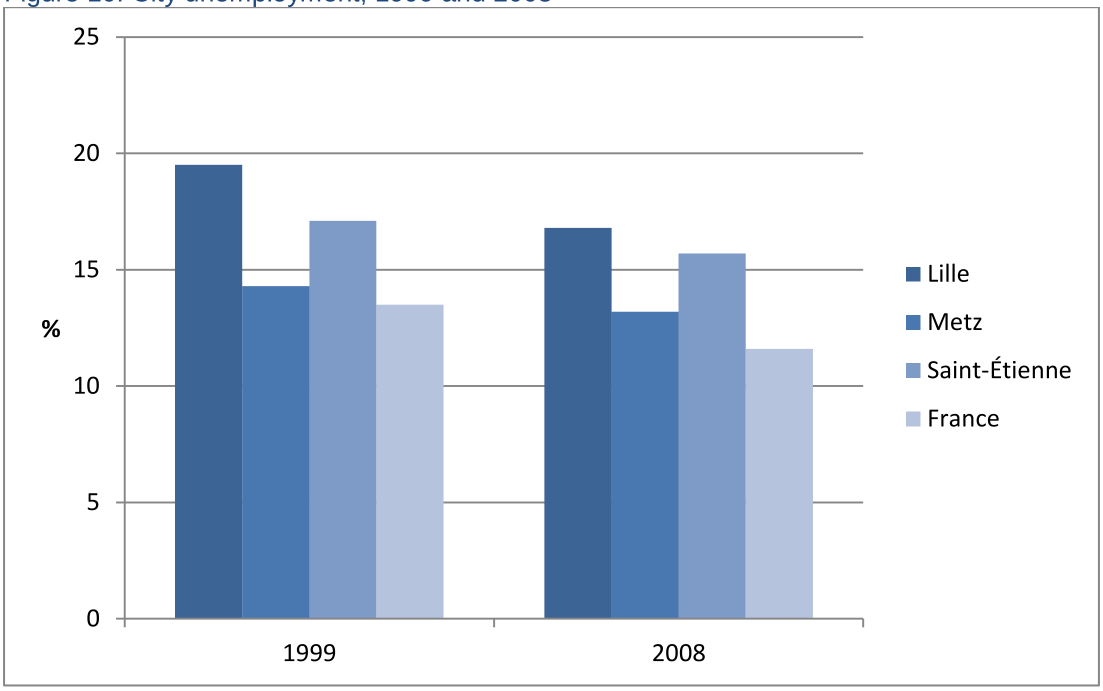
9. The median household income in each city is lower than that of its region (comparable national figures are not available), and incomes are lowest in Lille. The Saint-Étienne regional figure reflects the presence of Lyon in the Rhone-Alpes region, and the Lorraine region reflects not only Metz but Nancy as major urban centres. There are no comparable major economic centres in Nord-Pas-de-Calais.
10. All three cities have higher unemployment than the national average, which remained the case despite improvements between 1999 and 2008. Metz has not improved as much as the national average over that period.
11. Educational attainment presents a more complex set of issues (see Figure 11). All three cities have higher than average percentage of people with no qualifications, particularly in the case of Saint-Étienne. There are also lower than national average proportions of people leaving school with the Baccalaureate, or a less demanding lower school qualification. But in Lille and Metz University level education (including two year technical qualifications) has higher than average proportions of qualified people – reflecting the large banking and insurance sector in Lille, and the high tech materials sector in Metz.

Figure 9: Median household incomes: city and region, 2008



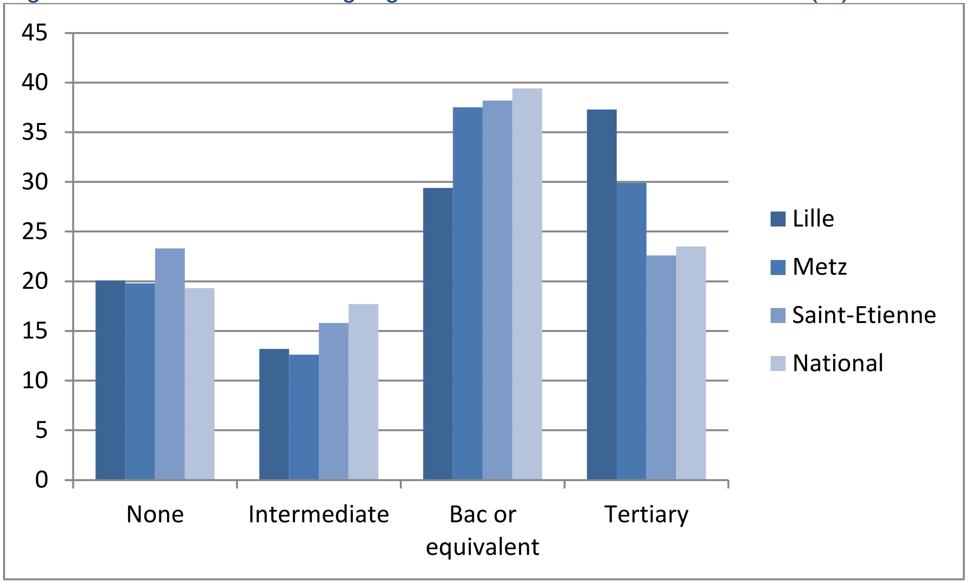
Source: Insee 2011

Figure 10: City unemployment, 1999 and 2008



Source: Insee 2011

Figure 11: Students achieving highest educational attainment levels (%)



Source: Insee 2011

Social housing and deprivation

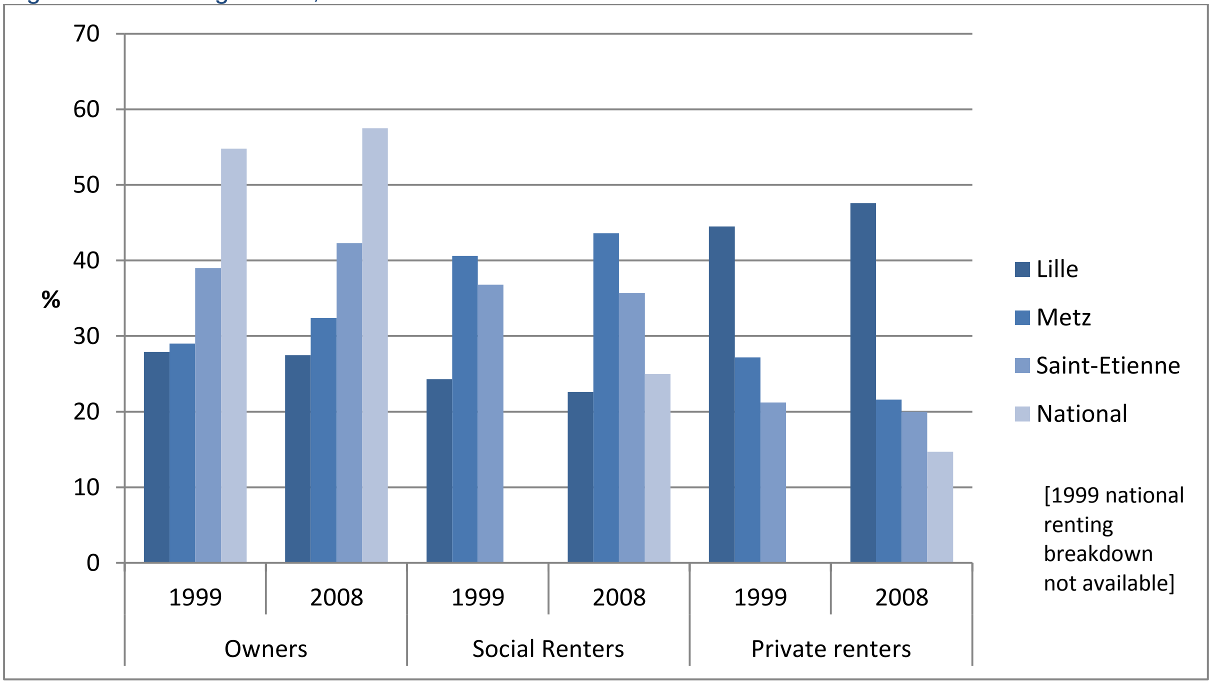
12. The cities followed a typical French pattern of a wave of post war building of large system built housing estates, which housed both immigrant workers recruited to support the post war boom and people moving from the slum and war damaged housing in the cities. By the mid-70s these neighbourhoods had become new pockets of deprivation and poor housing. The overall figures for housing in each of the three cities are set out in Figure 12[14] showing a considerably lower proportion of owners in the three cities compared to the national average. Although in Saint-Étienne and Metz the proportionate level of ownership is increasing, this is not the case for Lille. In contrast Lille is seeing a growth of private renting, and a decline in social renting. In Saint-Étienne the levels of both private and social renting are declining in favour of ownership. Only in Metz is the social renting sector increasing in parallel with a decline in private renting and the growth in ownership.
13. The disconnection of social housing estates from the city centres can be seen starkly in the Lille Sud estates which were built across the dividing line of the new Lille-Paris motorway in the 1960s, cutting its residents off from contact with the city centre, its work and cultural opportunities. By 1989, 'Les Biscottes', two very poorly constructed tower blocks of 18 floors had already had to be demolished, an event that still strongly marks the local public memory. In 2000, St Étienne saw the demolition of a locally infamous 'Great Wall of China', a single block built in 1960, 19 stories high, stretching for almost half a kilometre, following the crest of the hill and. In Metz, amongst the six areas which

[14] Note that the breakdown of social and private renters at national level is not provided by INSEE in this data series

form the focus of the current urban renewal contracts, three are in the city of Metz - two large and one smaller estate - and all are built in the 1970s.

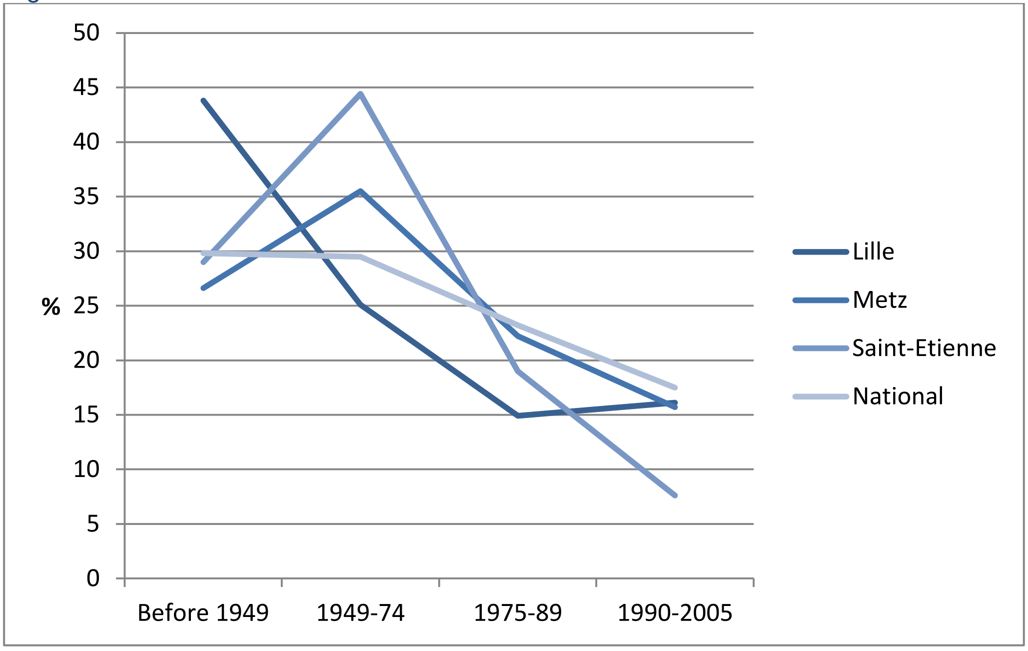
14. Lille has half as many pre 1949 homes as the other cities or the national average. Saint-Étienne, and to some extent Metz, showed a spike in buildings dating from the 1960s and 1970s, but the proportion of post 1990 homes in Saint-Étienne is considerably below other cities and the national average (see Figure 13).
15. The problem of empty homes was significant in Lille in 1999, although it has improved considerably since then. Saint-Étienne also has a significantly higher than average problem, although not to the same extent as in Lille.
16. Generally speaking most homes in the cities have access to baths or showers, although not all (see Figure 15).
17. The issues of deprivation and concentrations of poor residents in specific neighbourhoods are dealt with in more detail in Chapter 6.

Figure 12: Housing tenure, 1999 and 2008



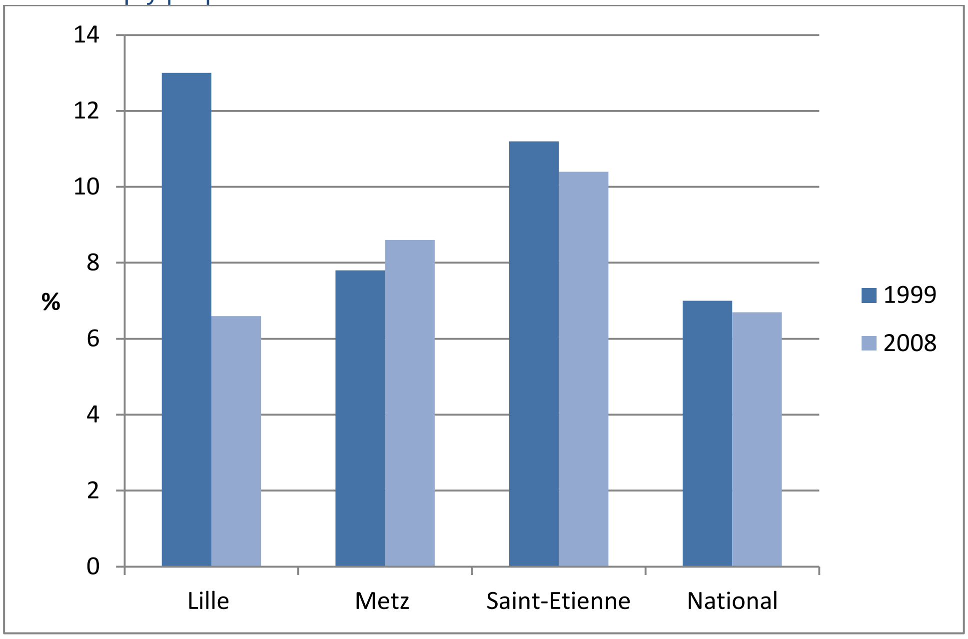
Source: Insee 2011

Figure 13: Dates of construction of new homes



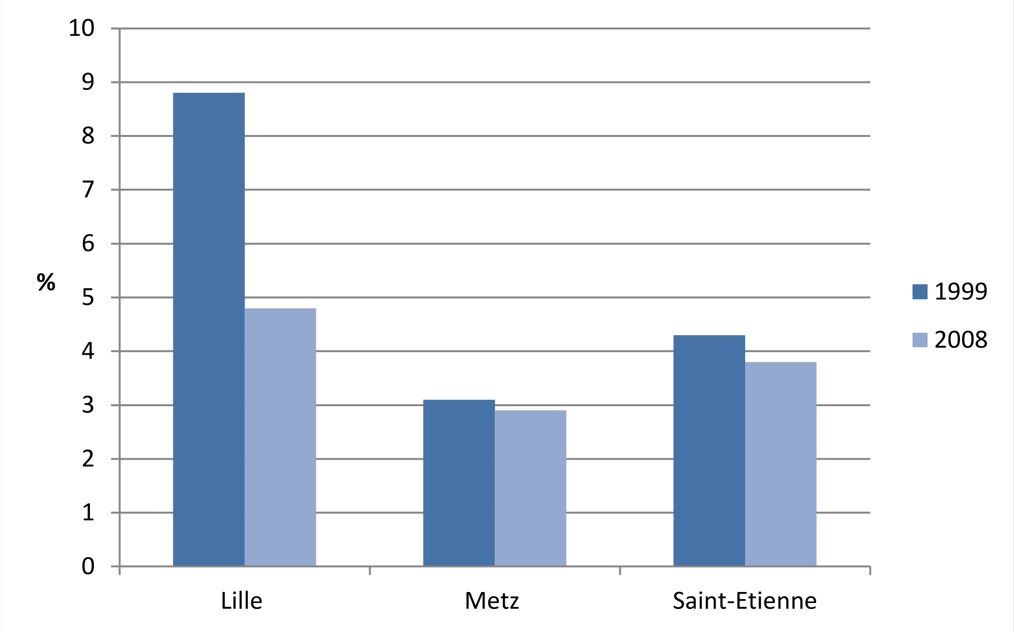
Source: Insee 2011

Figure 14: Empty properties



Source: Insee 2011

Figure 15: Homes lacking bath or shower



Source: Insee 2011

Summary

18. The three cities of Lille, Metz and St Étienne were subject to rapid industrial growth, then equally rapid decline in the second half of the 20th century. The consequences of this decline continue to mark the cities – each has lower than the regional income, and higher than the national rate of unemployment, and a workforce which has low levels of educational qualifications. Each has a weaker population growth than the national rate (negative for Saint-Étienne), and this weak growth extends to their metropolitan areas, indicating a difficulty attracting new (and potentially better qualified) workers. The population structure varies from the national norms, with a disproportionately large under 25 population in Lille, and a disproportionately large older population in Saint-Étienne. There is a weak housing market, with levels of owner occupation lower than national averages in each city and growing much less strongly than in the country as a whole. In the rented sector each city is different – a sharp increase in private renting in Lille, a small growth of social renting in Metz, and an overall decline in renting in Saint-Étienne. Together these figures suggest that the cities continue to confront serious problems of de-industrialisation. Part Two of this report will look at how the cities are combatting these problems, and some examples of their successes and continuing challenges.

Part Two: What do these Cities teach us?

The key issues and actions

1. This section considers how the three cities studied (Lille, Metz and St Étienne) have gone about rebuilding their physical, economic, and social infrastructure in the light of the problems they face. More details on each of the cities are in the case study section in Part Three.
2. The current main challenges for the cities are:
   - Rebuilding the local economy through new industries and enterprises
   - Tackling concentrated areas of disadvantage, both in social housing estates and in areas of traditional older working class housing in poor condition; and the physical infrastructure including extensive areas of industrial brownfield sites
   - Addressing image problems and increasing the attractiveness of the cities to new residents who might bring a better mix of skills and income while still meeting the needs and aspirations of the existing residents. City leaders also need to make the city attractive to outside investment.
   - The characteristics of the local population reflect the legacy of industrialisation despite the long decline of the key industries. This shows itself in low skills, relatively high levels of unemployed young people, poor self-image, and a lack of mobility, all of which need to be tackled.
   - There is a pressing need to address the Grenelle[15] agenda of reduced energy consumption and a reduction in greenhouse gas emissions. The cities need to have clear targets and strategies locally to deliver this
   - Finally in the current financial climate new private-sector enterprises face reduced overall demand for goods and services. There is a need for investment capital to finance new businesses, which is lacking from both public and private sources. There is also a high risk of much reduced public sector investment in infrastructure, social, and economic measures specifically to address deprivation.

[15] French climate change law – see Box 10

Chapter Four: Building a new economy, and confronting the crisis

Introduction:

1. This chapter considers how the cities have approached economic re-development through:
   - a range of major flagship projects, often based on the industrial history of the area, and located in or near ex-industrial and more deprived areas of the city;
   - encouraging the development of small and medium enterprises as part of this wider strategy, and often as a central part of some of the projects

Major urban redevelopment projects

2. Each of the cities has a programme of major projects aimed at kick-starting the economy and giving substance to the 'city renewal' and image building activities described in Chapter Three. These activities sometimes overlap with projects explicitly aimed at addressing deprivation, although the issues of social exclusion and poor neighbourhoods is dealt with in more detail in Chapter Five.
3. Flagship and development projects are set out for each city in Boxes 1, 2 and 3.
4. In May 2011, Dominique Gross, Mayor of Metz, set out[16] three key strategic priorities for the city:
   - Performance - innovation
   - Identity-creativity-attractiveness
   - Networks-mobility-fluidity

   Detailed information on St Étienne's recent flagship projects and inward investments (by firms such as Casino, IKEA, Carrefour, and others) is provided in the St Étienne City Report[17] and 'Phoenix Cities'[18], so box 3 provides more of an update on progress

[16] In an address "*Le Pole Metroplitain du Sillon Lorrain*" at a Mutécos seminar on 18/5/11
[17] Winkler, A (2007)
[18] Power, A, Ploger, J & Winkler A. (2010), Chapter 11

Box 1: Lille's 5 flagship projects and 6 competition clusters

Euralille (phases 1-3): City centre project which has already created 300,000m^2 of offices, new homes for 4,000 people, 600 hotel rooms, rail terminals for 23 million passengers a year, and 470 serviced housing units, and is intended to create over one million m^2 of mixed office, commercial and residential provision.

Eurasanté Park: The largest university health centre complex in Europe, it is a development site for companies and research laboratories specialising in health fields.

Haute-Borne Technology Park: Hi-tech enterprises and research laboratories. Linked to Lille 1 University, the National Centre for Scientific Research (CNRS[19]) and the Advanced ICT Research Institute (IRCICA[20]).

Zone de l'Union: Eco-neighbourhood (waste, water, transport management, participation) and mixed development intended to provide 4,000 jobs and housing for 3,000 residents on a previous industrial site of 80 hectares. It will house two centres of excellence: on image, culture and media, and on innovative textiles.

Euratechnologies: Refurbished industrial site and building hosting new enterprises in new information and communication technologies – currently 150 firms of different sizes (including Microsoft), employing some 1,500 people. Compared to an average 50% start up attrition rate in 5 years, support provided on the Euratechnologies site reduces this to 20%.

Competition Clusters: Supported by Government programmes through the Interministerial Committee for Territorial Planning and Development (CIADT[21]) and the Directorate General for Competitive Industry and Services (DGCIS[22])

I-trans: International centre focusing on innovative ground transport systems, building on the 1983 Siemens first automatic light railway system (the Lille metro) and now comprising 40% of the national railway construction business, 100 firms, 10,000 jobs, €5.3 annual turnover, 17% of French exports and 400 researchers in 12 laboratories

NSL (nutrition, health, longevity): leads in agri-food and health ingredients (reflecting Lille Metorpolitan Authority's important rural aspect), as well as in health and biotechnology including a unique specialist blood centre. It has a turnover of €6.5bn and a research budget of €171 to employ 500 researchers in 21 public and 35 private research teams. Its activity is focused in the Eurosanté centre of excellence development

Uptex (advanced textiles and materials): builds on the long history of textile manufacture in Lille. It is the home to ENSAIT[23] (the Advanced Institute for the Arts and Industrial Textiles) in Roubaix which trains 80% of French textile industry engineers, and CETI[24] (the European Centre for Innovative Textiles) shares this research portfolio with similar textile centres in Ghent. It has a €5bn turnover, and supports 15% of the French textile industry workforce.

PICOM[25] (International Retail Industry Cluster): supports 219 distance selling companies, who hold 66% of the national turnover and 70% of French jobs in this industry, as well as providing 20,000 jobs in the region – building on the historical legacy of the first 1928 catalogue distributed by La Redoute. It is trialling new distribution concepts including sustainable DIY, arts and crafts, and food, and in addition to the distance selling provides a further 44,000 jobs in the retail sector and in total a turnover of €65bn.

MAUD[26] (Materials and Applications for a Sustainable Use) and TEAM[27] (Sustainable Technologies applied to materials and waste products): focus on environmental innovation. MAUD deals with new materials and their uses in the search for lower carbon production, particularly around packaging, and graphic industries; TEAM[2] deals with waste management and recycling, particularly the recovery of industrial waste and by-products. It includes the only centre of ground and site decontamination in France, and holds 14% of the French market; overall it supports 9,500 workers and 270 businesses.

19 Centre Nationale de la Recherche Scientifique
20 Institute de recherces sur les components logiciels et matériels pour l'information et communication advancée
21 Comité interministériel d'aménagement et de développement du territoire ()
22 La Direction générale de la compétitivité, de l'industrie et des services
23 École nationale supérieure des arts et industries textiles
24 Centre European des Textiles Innovants
25 Pole de Compétitivité des Industries de Commerce
26 Materiaux et Applications pour une Utilisation Durable
27 Technologies de L'environment Appliquées aux Matières et Matériaux

Box 2: Metz flagship projects

Quartier de l'Amphithéâtre: This area of around 50ha has been acquired by the Metz Metropolitan Authority (CA2M[28]) and will host a new large scale project of housing and offices. The 1st phase – lasting 2 years from Dec. 2010 onwards - includes 1,000 m^2 of commercial development, 10,000m^2 of housing, and 16,000m^2 of offices. It is very close to the Pompidou Centre and the high-speed train station, and is hoped to create further opportunities for future investments. A new congress centre and cultural centre (médiathèque) will be built alongside excellent public transport links to the centre of the city. The project is being conducted under the ZAC[29] (Comprehensive Planning Zone) national framework.

Mont Saint Quentin: This military terrain constitutes a sort of 'green lung' for the Metz Metropolitan Authority (CA2M). Since 2005, this area has been re-developed and dedicated to ecological conservation, green tourism, and educational uses. It also was used as an approach to combatting social inclusion, with planning and development companies engaging with and hiring locally socially excluded people, providing both jobs and a higher level of engagement with the redevelopment of the city environment.

Materials:A range of projects for the development of new materials, and green materials. Metz expertise was recognised by the French government in the original choice of Matéralia (Innovative Materials and Intelligent Products group) for a material-oriented economic cluster, and then by the creation in 2011 of the Institute for Research in Metals, Materials, and Processes, to be the leading centre of materials research in the Grenelle[30] framework context for addressing climate change targets.

Logistics: Due to its geographical location, Metz plays a key role in the national and international transportation and communication networks. It is also an important logistic centre. In June 2009, the International Logistic Centre was launched in order to reinforce the dedicated higher education potential of the schools and universities in Metz (Advanced School for Engineering (ENIM[31]) for instance).

Real estate: In January 2010 the European Academy of Real Estate opened, in which local universities and the Chamber of Commerce play an important role. The objective is to create a wide range of diplomas and training courses in real estate management and development.

Environment: Since 1972 and the creation of the European Institute of Ecology, Metz has d a pioneering role in environmental protection research and development. Metz-Métropole is willing to become an exemplar in the implementation of sustainability. The flagship development of such approach is embodied by the project EcoCité 128, a 350ha-wide reconversion of a military site.

Health: A major health development is planned in the CHR de Mercy (Regional Healthcare Centre). The cluster will be centred within a 58ha-wide area and specialise in disability and dependency treatment.

River port of Metz-La Maxe: is to be built on 12 hectares of a peninsula on the Moselle, to stimulate greater water transport of containerised goods. This will also link into the North Sea ports and canals, as well as linking to the southern water transport systems and the River Saône.

Green Industries: new projects such as ULCOS (Ultra Low CO_2 Steel Making) in Florange or the GDF SUEZ–Total project to start a solar energy plant near Saint-Avold

[28] Communité de l'aglomération de Metz Métropole
[29] Zone d'aménagement concertée
[30] French climate change law – see Box 10
[31] Ecole National des Ingénieurs

Box 3: St Étienne: Update on flagship projects, knowledge and competition clusters

Flagship projects:

Chateaucreux Business District: Centred on the railway station -TGV and Lyon local link every 10 minutes), Casino HQ for 2,500 staff, National CESU[32] employment voucher centre, 27,000m^2 new office space for tax office and regional public sector staff, 120 bed hotel, and 16,000m^2 ground floor shops, services, and offices. Housing now to be built as part of this by national homes developer Bouygyes Immobillier, seen as a clear vote of private sector confidence in the project

Manufacture-Plain Achille: Reconversion of the old arms factory on 100ha site near motorway and railway station. Includes Design Village, University science faculty, Graduate school of optical science and engineering , High Technology Centre, the new iconic Zénith stadium, Telecom Saint-Étienne, and new housing units

Métrotech: New tertiary out of town technology park, 10 minutes from Saint-Étienne, 20 from airport, 45 from Lyon, with conference centre, shops, exhibition and meeting spaces, 30,000m^2 of flexible buildings with expansion space for double this, pre-installed services, at the entrance to a Regional Park

Clusters:

Medical Technology Cluster: particularly implants, medical and sporting textiles, and biotechnology. 60 companies, 2,000 jobs, 250 researchers, €230m turnover, 60% of production of medial textiles and related products

Rhone Alps Optical Cluster: includes 10 universities, 30 laboratories, 1,500 researchers, 4,000 engineers and technicians.

Loire Numeric: IT joint projects and innovations – 4,400 jobs, €400m turnover, 486 companies

Food Industry Cluster: Professional association linking framers, industrial companies, equipment manufacturers and distributers. 7,400 jobs in food, 9,000 in agriculture, 30% of Rhone-Alpes beef production, and leading milk producer

International Resource and Innovation centre for Sustainable Development: 150 partners, 3,500 jobs

Viameca: Engineering & Industrial Design: 1,300 regional companies, 27,000 jobs, €3bn turnover

Techtera: Materials, textiles, and chemicals. 450 companies, 9,200 jobs, €620m turnover, 60% of national technical textiles production

Sportaltec: Sports and leisure technology, around implants, and bone tissue. 5,000 jobs €3m

Minalogic: 100 companies, 22,900 jobs, €3bn turnover

Mixing Large with SME businesses

5. The information set out above indicates that the approach in these cities is to provide a basic infrastructure and seek both large investors to take up the new office spaces, and at the same time develop innovative and small businesses. In the case of Lille, the city has also a long history of tertiary activity (see Figure 16), and it would be wrong to think that the creation of major new non industrial employment was entirely new – though in this respect Lille is different from the rest of the LMCU[33] (Lille Metropolitan Authority) area.
6. The biggest employers in Lille show the importance of the tertiary sector (see Figure 17)

[32] Chèques Emploi Serivces Universelles – these are special cheques to pay for various domestic services
[33] Lille Métropole Communité Urbain

7. But the emphasis in each of the cities on innovation clusters and start-ups also indicates the importance of new small and medium enterprises (SMEs) as a means stimulating a stalled local economy. The SME sector in the cities is often linked to the industrial sectors which formed the basis for the original growth and wealth – textiles, trade, and agriculture/food in Lille, design in St-Étienne, and metal and materials related activities in Metz. City strategies also seek to attract and support larger industrial production firms who can develop, manufacture, and market their best ideas on a bigger scale. Figures 18 and 19 illustrate the importance of small firms. Figure 18 focuses on the importance of the different sectors in the three cities, showing that the commercial and small business sector is now on a par with public sector employers, and the proportion of industrial jobs has been dropping since 1999 (excluding the construction sector)
8. A similar pattern can be seen in the creation of new businesses during 2010 (Figure 19).
9. The majority of businesses in these cities are small, and young – apart from in Lille most businesses are less than five years old, although for Metz and Saint-Étienne businesses are slightly older than the national average (see Figure 20)
10. Innovation in small business is therefore key to rebuilding the economy . This can be both high- and low-tech, and indeed Lille has produced a catalogue setting out examples of 50 innovative, but essentially low-tech businesses as a stimulus to economic and social development as part of its inclusive approach to building the city's new mixed economy[34]. Two examples are given in Figure 21, indicating the types of project being encouraged.

Figure 16: Growth in tertiary jobs in Lille 1960-85 (%)

Year	1960	1968	1975	1980	1985
Jobs in the tertiary sector	50.5	55.1	61.6	66.4	71.3

Source: Figures from Thiery Baert, LMCU Director of Urbanism

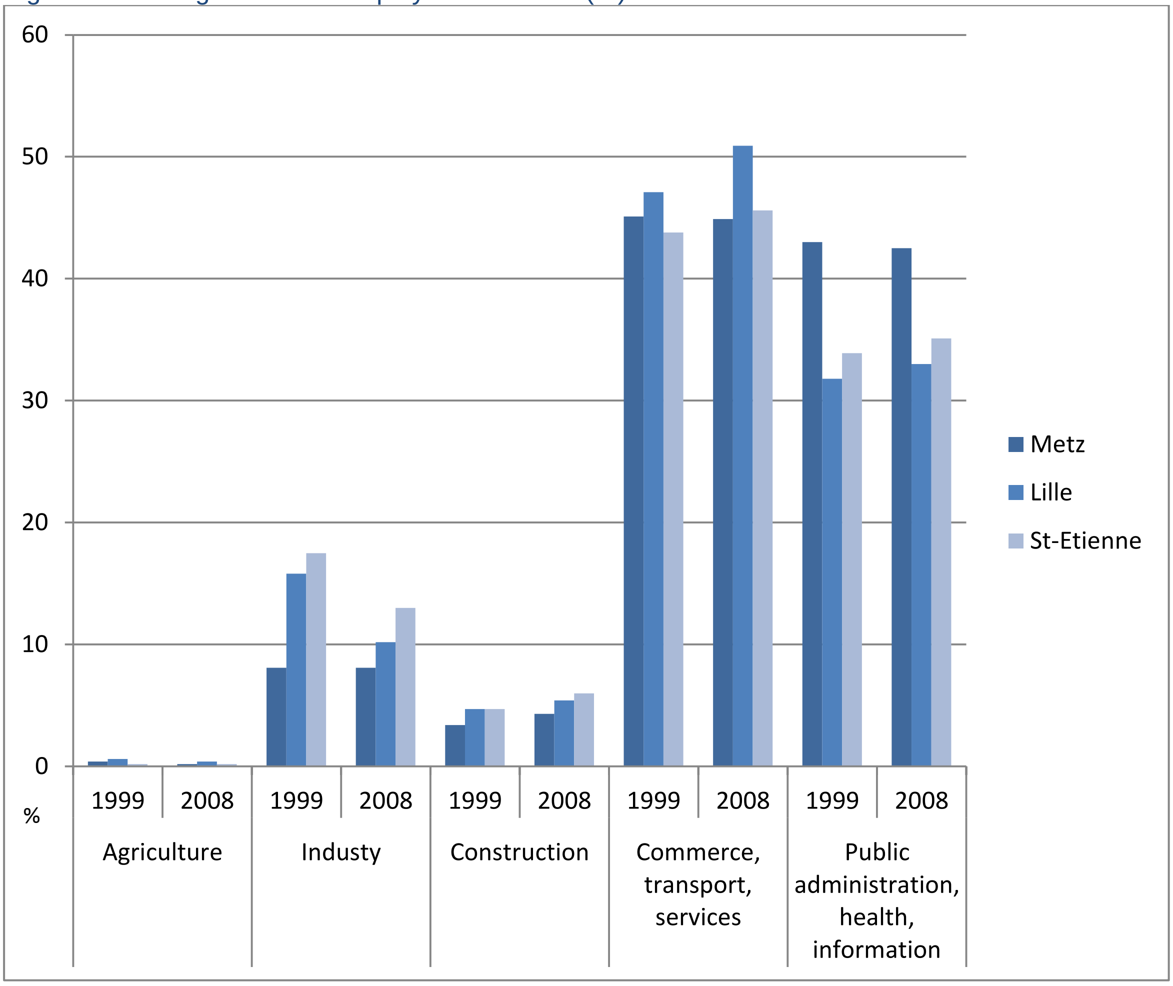
Figure 17: Lille's biggest businesses 2007

	Company	Activity	Turnover (millions €)
1	La mondiale	Mutual Assurance	5 319,6
2	Crédit Mutuel Nord Europe	Bank	745,8
3	Crédit Agricole Mutuel Nord	Bank	605,8
4	Gan Patrimoine	Insurance	512*
5	Banque Scalbert-Dupont	Bank	445
6	Rabot Dutilleul	Housing and construction	442,16
7	Société des Eaux du Nord	Services	197,4
8	Apave	Services	169,2
9	La Voix du Nord	Media	153,1
10	Douglas	Perfumes	146,7

Source : Sociétés *chiffres 2008

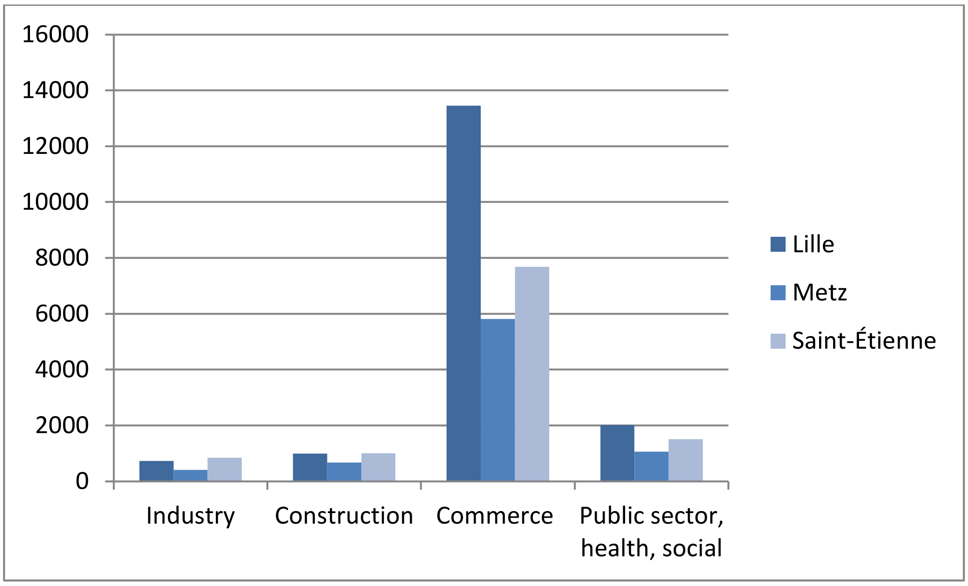
[34] LMCU 2009 *"50 Enterprises Innovantes"*

Figure 18: Changes in main employment sectors (%) - 1999 and 2008



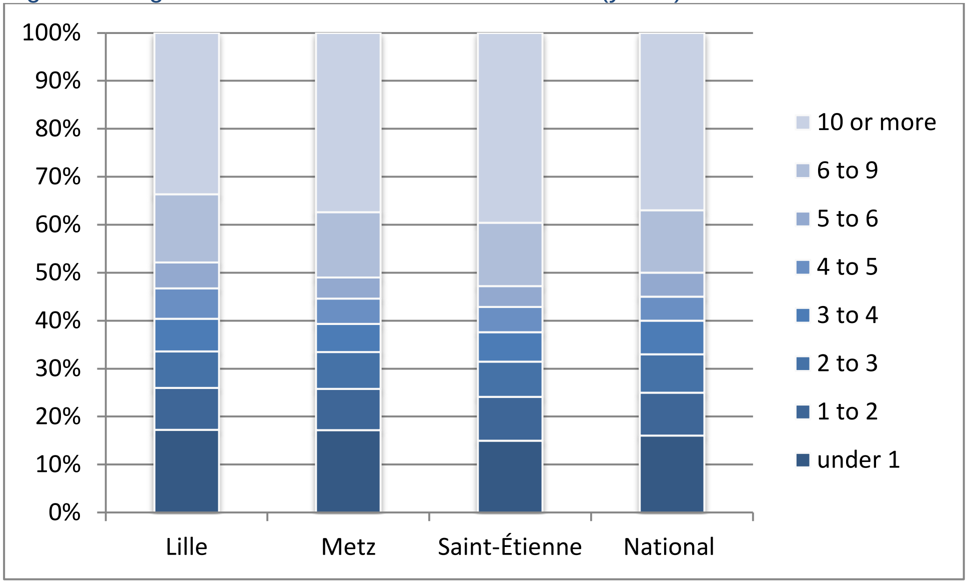
Source: Insee 2011

Figure 19: New business creation 2010 – all cities



Source: Insee 2011

Figure 20: Age of businesses – cities and national (years)



Source: Insee 2011

Figure 21: Lille's innovative enterprises

Name	ID Training	Gardens on the Roofs
Employees	217	2
Status	Cooperative	Private firm
Location	9 sites regionally	Lille
Turnover	€10m	€ 50,000
Funding	Public sector	Individual fees
What does it do?	Training and employment support in basic and intermediate skills, with placements, particularly for immigrant and low skill households	Encouraging biodiversity and greening of roofs, terraces, and other spaces including to improve thermal and noise insulation and collection of rainwater

Source: 50 Innovative Enterprises

11. Lille also aims to attract longer term large developments. One emerging project that has the potential to address current and future major development, and embrace the green agenda, is the inland ports intelligent exchange project[35]. The plans include considerable reductions in transport emissions and costs from centralised 'package switching' to green goods transport for local delivery. The project depends on businesses buying into the approach and using the hub, and this could be a major focus for jobs and green initiatives. This project is in line with Lille's past and current position as an exchange hub for commercial exchange (stretching back to its previous role as an important market town). It also addresses its environmental aspirations, seeking to reduce considerably the carbon footprint of the final stages of goods distribution through IT driven distribution planning and the use of electric and low carbon vehicles to take goods into the city and bring other goods, or waste, out.

[35] 217G CCP21 Connecting Citizen Ports 21 – see http://www.nweurope.eu/index.php?act=project_detail&id=4118

University links

12. A final key element of renewal plans is to engage with the University and commercial sector which has been done vigorously in Saint-Étienne and in Metz. In Metz one response to the 2007-8 crisis was to create the Metz Metropolitan Authority at the end of 2008, which is a partnership of the City and Metropolitan Authority of Metz, the Paul Verlaine-Metz University, the association of Grandes Écoles of Metz, the association of Moselle Urban Authorities and several chambers of commerce. As part of the subsequent work, in 2011, the Institute for Research in Metals, Materials, and Processes (IRT M2P[36]) was created, to be the leading centre of materials research in the context of the Grenelle[37] framework for addressing climate change targets. This is a collaboration between the City of Metz and the Greater Metz Authority, Matéralia (Innovative Materials and Intelligent Products group), Paritech Arts and Professions (a Grande École), and the Metz Metropolitan Authority. The Matéralia group also includes related sites in the nearby cities of Nancy, Charleville and Mézeres.
13. Prior to this, Matériala was engaged in bringing together major businesses – such as Krupp, Arcelor-Mittal, Les Bronzes Industrie – with the research and development centres in the Metz-technolole. In 2009 it already had 68 SME and 25 larger firms supported or involved, and had the ninth highest turnover of French clusters. It aimed to move forward from past industrial skills towards new innovative technologies. Similarly the European Institute of Ecology has always had a pioneering role in environmental protection research and development, including developing the 350 hectare EcoCité 128 conversion of a previous military site and now embodying the Grenelle principles of green development.
14. Along similar lines, there has been a merger of the overall coordination and management of the Saint-Étienne and Lyon universities, aimed at bringing better coordination and contributions to the development of economic and innovation strategies in the sub-region.
15. The importance of the role of the cities in stimulating these types of collaborative activities, such as bringing together universities and businesses, is reflected in comments made on a recent study of competitiveness clusters[38]: "*the local interactions and interdependences do not emerge spontaneously from co-location of actors and ….the design of relevant local governance is a basic key to the viability of this experiment based on bottom-up processes"*.

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[36] Institut de recherche technologique métallurgie, matériaux et procédés See http://www.materalia.fr/rubrique.php?id_rubrique=964
[37] French climate change law – see Box 10
[38] Longhi, C. and Rainelli, M. 2010

How effective are these approaches, viewed locally?

16. A number of the comments and conclusions from local visits are relevant here. As with the comments on planning above, it is not always possible to make the city respond to the creation of new businesses in the desired or intended way. This can be seen with the Eurotechnologie project in Lille – a magnificently restored factory housing high-tech start-ups and a model of the type of inner city brownfield development that Lille aspires to make the norm. Although the project is successful from a business perspective, it was surprisingly evident on visiting that it had not generated any surrounding secondary employment (there were no shops, cafés, gyms or similar facilities), and as such "*it felt quite isolated, cold, not even close to being completely integrated into the surrounding urban fabric – and that was the feeling I had in several sites…..they have high quality design features but don't create spaces with high urban qualities yet"*[39].

17. By contrast Saint-Étienne felt that it was continuing to develop despite the 2007-8 recession partly because it had just seen the start of the large EPASE[40] (Saint-Étienne Improvements Agency) investment programme. There was also a view expressed locally that the recent recession had had less impact *"maybe because we're in a place where the most important industrial reconversions happened between 1965 and 2000".* It was considered locally that the Saint-Étienne economy is now much more diversified and that the initiatives supported by the new clusters, SMEs, and high technology design and technology areas (like medical textiles) has given it resilience, not least because of its proximity and growing links with Lyon. Equally important was the focus of these new industries on using design in every area of business and commerce, making it an operational tool not a conceptual proposal – *"taking the know-how that's already here but giving it value-added"*.

Summary

18. This chapter has set out the range of flagship projects and start up clusters which have been put in place in the three cities. In each case the general theme of development links to the city's previous industrial history focusing on re-generating the run down areas of the inner city. There are differences as well. Saint-Étienne has ensured that its main developments are well linked into the rail, air, and road networks, including an out of town development park (Métrotech), whereas Lille continues to focus on more central areas of the city. Metz and Saint-Étienne have focused on specific areas of local expertise, high-tech materials and design based technology respectively, and in each of these cases they have forged close links with local universities and research

[39] City Reformers Group team member
[40] Etablissement Public d'Aménagement de Saint-Étienne

establishments. Lille has a longer history of tertiary employment and continues previous links with banking and insurance. It also has taken specific steps to promote smaller and low-tech industries on a community basis, and has a much less developed strategy and links with the University sector.

19. Overall there is a clear mix of both large scale cutting edge projects with a range of associated small and medium enterprise businesses alongside. This reflects the fact that over half the businesses in the cities are under 5 years old, and the predominance of commercial businesses as the main employers in the cities. Overall these flagship projects are showing encouraging signs of growth, judging from the outcome figures set out in the tables above. There is also a question of whether this growth and change of economic direction is being shared throughout all sections and neighbourhoods of the city, which is the substance of chapter six.

Chapter Five: Rebuilding the city

Introduction

1. Each of the three cities has developed a clear strategy towards wider metropolitan and sub-regional cooperation as a means of rebuilding their local economy, and of addressing the problem of their image. The similarities, differences, successes, and continuing opportunities of these approaches are set out in this section. This includes looking at:
   a. the use of specific programmes of city renewal and 'image' changing, often including cultural icons and events, to engage local residents and build a more appealing 'offer' for external businesses and populations;
   b. addressing the problem of urban sprawl;
   c. the role of metropolitan and sub-regional bodies in developing a stronger economic and infrastructural basis for growth.

City image and appeal

2. All the cities recognise that economic growth is partly driven by how attractive the city is to new businesses and potential new residents - quality of life and image are central to city renewal. This includes improving the housing, shopping, environmental, and sporting offer, as well as developing a varied skills and jobs market. It is not simply an aspect of external image. In both Lille and Saint-Étienne the importance of addressing the problem of local residents having a negative image of their city was regarded as a central challenge. For example in Saint-Étienne we were told "*This is a unique city, one of only nine UNESCO world cities of design – with major opportunities, yet the Stéphanois fail to take pride in their city"* [41]
3. Lille is the most active in using the LMCU metropolitan framework to develop a clear vision of how the city can be 'renewed' to deliver a high quality of life for existing and future residents, and address the wider image issues. Lille in particular has been particularly active in this area for some time - "*the concept of renewing the city was invented in Lille"*[42]*.*This process has included the publication of several consultative and visionary documents as set out in Box 4.
4. Metz has taken proactive approach to the overall image of the city with, in 2010, a programme of '12 Public Works' projects to make the city more attractive, modern, and encourage resident mobility. These include housing renovations, pedestrianisation, the

[41] Local city official
[42] Thiery Baart, Director of Studies, Urban and Development Unit, LMCU

development of new cultural and leisure facilities, and the 'greening' of several public spaces.[43] . In Saint-Étienne, alongside the wider cross city programme of major urban projects which were set out in more detail in chapter four above, a specific city centre project, 'Heart of the city', has been put in place to improve the attractiveness of the city centre, set out in more detail in Box 5.

5. Using culture as a tool to address city renewal and image building is a major element of the approach in all three cities, as set out in Box 6. In Saint-Étienne developing iconic exhibition spaces is seen as a similar approach to the Bilbao Guggenheim museum, and an important, but not decisive, part of the image changing.[44]

Box 4: Lille and LMCU city renewal plans: building a shared vision of Lille's future

1990 Start of the Euralille project, which brought the Eurostar to Lille, with the explicit aim to put the city at the heart of the London/Paris/Brussels/Cologne/Dutch economic zone. Lille was no longer to be peripheral within France, but central to the North West European powerhouse.

2004 Lille becomes "European City of Culture" which included 2,500 events across the metropolitan area and attracted 9 million visitors. This is seen locally as providing a new and positive external image of the city, and is used locally to build cohesion within and between neighbourhoods.

2005 Publication of "A New Art of the City", a consultative document which proposes a mix of people and activities in each neighbourhood, improving links within the city and with the wider region, and mixing new forms of urban development with restored and renovated existing infrastructure.

2006 Charter for Sustainable Urban Development, setting out three key themes – density and mix; quality and urban culture; and sustainable development

2008 "Living together in our Euro-Metropolis" manifesto which addressed the challenges of meeting residents need, especially the most disadvantaged communities; addressing the environmental and climate change challenge including in transport; becoming a European level international player; and building a new local sense of pride and identity including through culture, sports, and new technologies.

2010 "City 3000" – a set of visionary essays setting out visions of how Lille could develop in the future.

Box 5: Saint-Étienne: Heart of the city project

- Increase of city centre pedestrianized area to 75,000m2
- Development of 50km of cycle routes and hire bikes
- New bus routes through the centre
- Simplification of car routes into and out of the centre
- Redevelopment of the central Jacquard neighbourhood, with cafés, green spaces and walks, children's play areas, a market, a sports, cultural and administrative centre

[43] For a fuller account of these 12 projects see http://www.metz.fr/12travaux/pdf/mag.pdf

[44] "*We can use culture to help the city bounce back, but it's not the only thing we can use. Bilbao's success is due to Guggenheim, but there are other things there too*" (Saint-Étienne official)

Box 6: Renewal through culture

Each city has invested in iconic cultural events or buildings, aimed at generating tourist income, attracting new businesses and residents, and improving the quality of life and integration of existing communities.

Lille: A continuing legacy of being European City of Culture 2004, is the three Maisons Folie (Extravaganza Houses) in restored industrial buildings, which provide exhibition, performance, and work spaces where local people can work with local, regional, and international artists, some of whom are in residence locally. In 2009 the Wazemmes Maison engaged 75,000 residents and 70 different artistic groups.

Metz: Metz has a very large (163ha) urban conservation area with over 100 historic buildings in its centre, as well as the Arsenal concert hall and the National Opera of Lorraine. The Metz Pompidou Centre opened in 2010, is the first French example of a decentralisation of a national museum. It houses 65,000 contemporary art works, and seeks to engage a wider public with the arts. It is an integral part of the Amphitheatre renewal area and has the explicit ambition to increase the image and thereby economic potential of Metz. The majority of the €70m funding came from Metz city, with contributions from the department, region, and state. It received 600,000 visitors in the first six months. In addition, the Salle de Musiques Actualles, is a new 2,200m^2, €10.5m performance arts space including an 800 seat auditorium and rehearsal space, commissioned following an international architectural competition. It is the centrepiece of the restoration programme in the Metz-Borny neighbourhood.

Saint-Étienne The “Design Village” opened in 2010 in the restored “Manufacture” industrial site. It includes exhibition space and part of the advanced School of Art and Design. This development is an integral part of the biennial International Design Festival which attracted around 85,000 visitors in 2008. As well as research and development it aims to engage residents in understanding the value of design. In 2010 Saint-Étienne became only the second European city to be invited to join the UNESCO Creative Cities Network as a City of Design, an image changing award.

In addition, the Modern Art Museum has the second largest French collection of 17,000 20th- and 21st-century artworks, 2,300 photographs and over 1,000 objects in the industrial design collection. The collection was moved to an iconic new building on the edge of town, near the Montreynaud deprived neighbourhood, in 1987, and sponsors visits from around 15,000 school children a year

6. There is potential for conflict in consciously working to create a new image, and in both Lille and Saint-Étienne local officials told us that there are can be tensions amongst different local residents in relation to image changing activities. The self-image within Lille and Saint-Étienne can vary considerably between different communities in different parts of the city, and particularly between rich and poor areas. The more traditional, ex-industrial white working class often differ markedly in their attitudes and self-image from that of the immigrant community, which differs again from the new professional classes who have begun to arrive from other cities. Existing residents can feel that their problems are overlooked in favour of efforts to create a new culture. Thus the provision of ‘high culture’, expensive shopping, high cost and quality leisure facilities, and similar services which are aimed at a new and incoming high income group of people can be the source of disquiet.

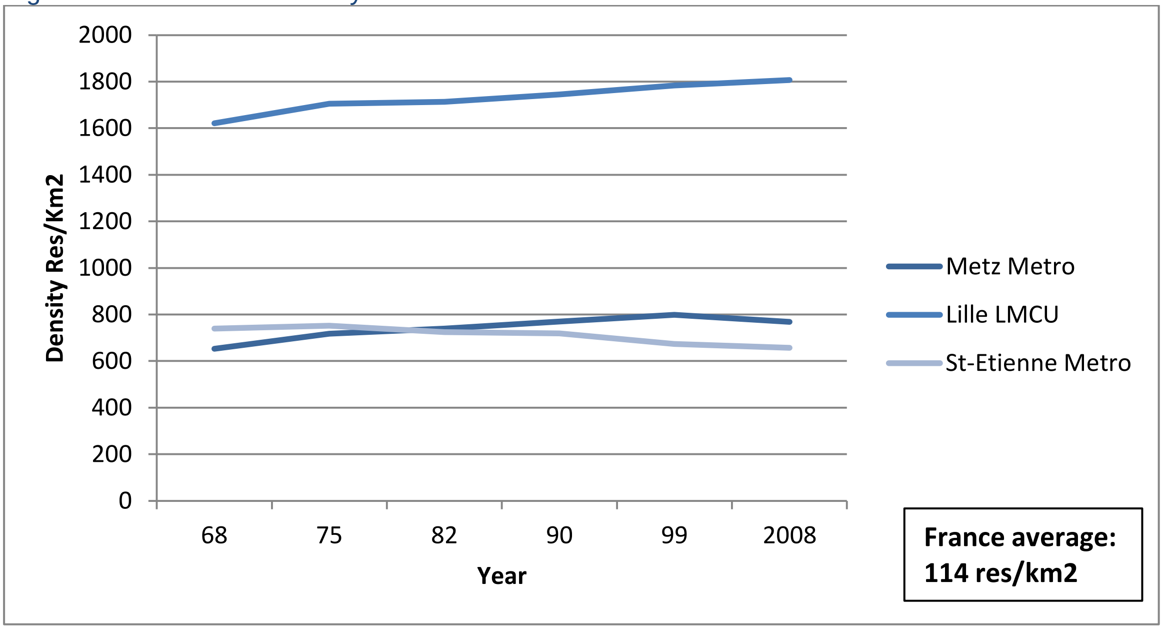
Managing urban sprawl and city density

7. Renewing post-industrial cities involves dealing with an urban infrastructure with brownfield sites which are often in key locations. Yet they can be difficult to re-use due

to high costs of demolition and removal of industrial waste and hazardous materials, poor connections to transport infrastructure, and their sometimes difficult locations in poor and run down areas of the city with poor housing and inadequate services. The environmental case for brownfield development is reasonably clear, but such developments compete with two strong opposing forces. Many businesses want greenfield developments which link directly to motorways and airline services, and also have the capacity for easy expansion and bespoke design. There is also a continuing desire of families with children to move to suburban housing.

8. The overall picture of urban sprawl and development can be seen in Figure 22 which shows a high and growing population density in Lille, compared to much lower densities in Saint-Étienne and Metz, with a declining density in St-Étienne.

Figure 22: Evolution of density in metro areas



Source: Insee 2011

9. Since the 1990s Lille has aimed to renew and rebuild the city by maintaining an urban mix of housing, shops, and offices, while deterring urban sprawl of both housing and industry on its outskirts; and imposing a minimum density on new housing. This key aim of ‘density-mix’ is re-iterated in the plans referred to in Figure 22, and is a particular priority for the current mayor Martine Aubry. Alongside this Lille has built effective and extensive public transport links, including the Eurostar link to the Channel Tunnel and on to Paris and Brussels; as well as new tram, bus, and metro lines. It prioritised the restoration of previously industrial inner-city derelict land, and development of new economic opportunities along the historic axes of city infrastructure. The principles of maintaining a ‘dense’ city through rebuilding on inner urban brownfield sites is also

reflected in the major planning policies put in place or under development (the previous '*Schéma Directeur'* and current draft '*Schema de Cohérence Territoriale'* or SCOT), particularly the aim to have two thirds of housing development within the existing city limits.

10. Saint-Étienne's settlement patterns is influenced by the major exchange of commuters with Lyon, not least as the Saint-Étienne rail link feeds directly into Part Dieu in Lyon centre, which is the second biggest administrative centre in France. Around 20,000 people take advantage of the cheaper housing in St-Étienne and exploit this rail link, which forms the busiest inter-city link in France – and also supports about 10,000 commuters in the other direction.
11. In Saint-Étienne the main controls on sprawl and peripheral development are within the recently adopted (2010) land planning framework (SCOT[45]). As part of this process, in February 2010, a new master planning and sustainable development plan (PADD[46]), was developed with four key aims:
    - Regaining/promoting urban dynamism in the area
    - Developing economic and residential attractiveness
    - New urban development that fights sprawl by revitalizing city-centres
    - Preserving the region's natural and agricultural spaces
12. The third plank was the subject of wide disagreement and dissent before its eventual adoption, but is now vigorously promoted by the current mayor Maurice Vincent. Some of this disagreement was around the distribution of housing developments and density requirements. Others contested the commercial development plan (the DAC[47]) which limited commercial development in the metropolitan area and gave priority to the city centre – particularly contentious as some projects already in train had to be revised as a consequence of this set of changes. Others opposed the use of specific development areas, or comprehensive planning zones (ZACs[48]), which were mainly restricted to existing peripheral areas already in development, and in the city centre, which again gave rise to legal battles on behalf of communes and developers who had proposals under way.
13. Metz presents a different picture, with more sprawl already evident, and with a less advanced public transport network, except within the main urban centres of Metz, and Nancy - which together with Luxembourg and Sarrebruck form the main axes of the

[45] Schema de Cohérence Territoriale'
[46] Projet d'Aménagement et de Développement Durable
[47] Document d'Aménagement Commrecial
[48] Zone d'Aménagement Concontrée

continuing suburban development. Current plans focus on improving this transportation network, and reducing traffic congestion.

14. All three cities have recently improved their public transport provision, supported by central government funding for which they competed, with a view to reducing commuter car traffic and encouraging density (see Figure 23).

Figure 23: New public transport programmes

New Public Transport	Type	Start date	Km. Provided
Lille	Rapid transport bus	2009	7
Metz	Rapid transport bus	2010	17.8
Saint-Étienne	Rapid transport bus	2011	12

Source: Cities of Lille, Metz and Saint-Étienne

Wider metropolitan governance

15. Each of the cities has taken pro-active steps to cooperate with neighbouring communes and cities across the immediate metropolitan and sub-regional areas. Figure 24 sets out arrangements at the metropolitan area level, and shows Lille's longer history of local cooperation, and the greater per capita budget involved (almost double the other cities). Lille LMCU is the fourth largest metropolitan area in France. Figure 24 also shows the similarities and differences between the main stated priorities – all focusing on economic and environmental issues in some way, with Lille particularly highlighting the European context, and aspects of participative governance and debate.

Figure 24: Metropolitan bodies

Name	Lille Métropole Communante Urbaine	Metz Métropole	Saint-Étienne Métropole
Created (current form)	1967	2002	1995
Communes	85	40 (from 2009)	43 (from 2003)
Area (km^2)	611	277	570
Population (2008)	1,105,080	220,687	374,680
Budget	€1,656m	€179m	€310m
Budget per capita	€1,499	€811	€827

Source: Cities of Lille, Metz and Saint-Étienne information publications; Budget figures from Le Journal du Net; population ; INSEE

16. These metropolitan bodies were originally set up to stimulate more coordinated sub-regional infrastructure and economic planning, including rationalisation of local taxes so that neighbouring communes did not engage in a tax rate 'Dutch auction' to attract businesses. A primary role is therefore a wider geographic and cross-sector approach to economic planning, including the coordination of research and innovation, and the contribution of the business and university sectors through a range of linked coordinating bodies (see Chapter four). These metropolitan bodies are also coordinators of infrastructural projects such as public transport networks, waste treatment,

environmental improvements including the development of green spaces, spatial planning, the control of urban sprawl, and the development of tourism.

17. Saint-Étienne is in a different position the other two cities due to the proximity of the very powerful and dominant regional capital of Lyon. Building trust is a key element of this approach: in Saint-Étienne it was noted that "*The smaller cities were always afraid of being swallowed up by Lyon, but we realise we need to live together and not be enemies".*[49]

18. Powerful local Mayors, with strong track records in the city, and often at the national level have been a big contributing factor reconciling the different local interests and selling the vision of metropolitan government. Both Lille's current mayor Martine Aubry, and her eminent predecessor the former Prime Minister Pierre Mauroy, had a profound impact in the development and re-development of the city. Similarly the current mayor of Saint-Étienne, Maurice Vincent, and before him Michel Theollière, have had a major influence on the direction and development of the metropolitan city renewal policies. This is in great part to France's 'many posts' (*cumul de mandats*) system which allows politicians to serve in multiple roles, giving them much greater power to influence policy at many different levels of governance (national, regional, local).

Figure 25: Wider sub-regional bodies

	Lille	Metz	Saint-Étienne
Name	Lille-Kortrijk-Tournai Eurométropole	Le Sillon Lorraine	Eurométropole (or 'G4)
Established	2008	2005	2009
Communities involved	145 French, Flemish & Waloon communities	55 communities in Metz, Nancy, Thionville & Epinal	Grand Lyon, Saint-Étienne, Porte d'Isère (& since 2010) Vienne
Population	2million	1.2million	2million
Focus	Employment, environment, culture, public services, communication	Economic cooperation, international presence, information, regional infrastructure, coordinated responses to national & European plans	Economic & international development; research & innovation, cultural sustainable planning & transport

19. In addition to metropolitan level bodies, each of the cities has also engaged formally with wider sub-regional bodies as set out in Figure 25. The wider bodies are much more recent in their creation, although the Lille Métropole has been under development for over ten years. As with the metropolitan bodies, the aim is to build wider links with surrounding cities and communities in order to build on shared strengths and infrastructure. The scope of these wider bodies can be illustrated by looking at the areas of focus and impact. Saint-Étienne was party to the joint launch of a programme of 15

[49] Saint-Étienne official

priority actions called 'Metropolitan Governance' in February 2010[50]. This has four principles – voluntarism, pragmatism, innovation, and openness, as well as fifteen actions grouped under the general headings of a dynamic economy, a living and vibrant culture, sustainable and efficient transportation, and a region with several centres of high density.

Figure 26: Areas of focus and development for Sillon Lorraine (Metz)

Area of Focus	Impact
Economic Attractivity	- **Very good geographical location**: logistics sector is growing in Metz & Nancy. - **Economic transition from a single-industry to a more diversified declining industrial base:** developing and diversifying the industrial know-how (mechanics and material particularly), technology transfer to SMEs - **Fighting the brain drain**: reinforcing the link with Luxemburg to offer new career perspectives (finance, consultancy and other high added-value services). - **Image**: in the international markets (real estate), Metz does not exist. Only the Region has economic recognition. - **Regional marketing**: it has been agreed that a common identity should be constructed.
Culture	- Mainly articulated around the new Pompidou Museum in Metz
Transborder policy	- Metz is looking towards Luxemburg and Germany as a source of growth - Enabling easier cross-border movements of workers and tourists - Creating a shared multi-modal transportation interconnection (multiple locations, well connected) e.g. improving the connection between Metz' port and Luxemburg's port
Education	- Creation of the University of Lorraine (2012) to create synergies and have a single, and therefore easily understood offer. - One single organization (Project Campus) for a shared and co-built university offer, especially for Metz and Nancy.
Health	- The biggest challenge is meeting an increasing demand for health services of good quality (factor of regional attractivity). - Mercy Cluster in Metz: and developing an economy around health services and industries. - Shortage of skilled workers (a department dedicated to cancer curing of the regional hospital of Metz-Thionville was closed due to a severe shortage of qualified staff).
Information & Communication Technologies	- Developing optic fibre linkages between main cities, esp. between Metz & Nancy - Public investment to develop 'public' IT servers (can then be used by SME's as the initial investment would have been deterrent). - Increasing continuity of Wi-Fi services, esp. along the transportations axes
Tourism	- River tourism from Luxemburg to Epinal - Urban tourism (Metz is first and foremost involved with its museums such as the Pompidou Museum, culture venues such as Lorraine Opera). - Though the thick industrial history, there is a well acknowledged difficulty in developing an industry-oriented touristic offer. Locally it is asked "why is it possible in Nord Pas de Calais and not in Lorraine"?
Infrastructures	- Development of the river transportation for freight and touristic purposes - Transborder mobility: tackling the congestion issue (people queue on the highway that goes to Luxemburg during peak hours) which reduces the benefits of proximity, notably for Thionville and Metz - Better coordination of Lorraine's infrastructures with Luxemburg's (river facilities, regional train services). - Reinforcement of the strategic position and enhancement of the intermodal connectivity

[50]Région Urbaine de Lyon 2010 *Gouvernance Métroplitaine*

20. In the case of the Metz 'Sillon Lorraine' grouping, a flavour of the approach can be gleaned from the summary in Figure 26.
21. As Figure 26 shows, Metz is trying to position itself as part of a wider cross frontier economic area. This is illustrated in Figure 27 and reflects the significant presence of cross border workers in Figure 28.
22. Lille similarly seeks to act as a key point of exchange and development at the pivotal point of the London / Paris / Randstat / Ruhr area. This is illustrated in Figure 29.

Figure 27: Metz's international position

Source: Le Sillon Lorraine

Figure 28: International workers in Metz Region, 2007

	Lorraine Region	Department of Moselle (incl. Metz)
From Germany	22,464	22,192
From Belgium	4,646	100
From Luxembourg	68,606	47,672
Total	**95 716**	**69 965**

Sources : LandesarbeitsAmt Rheinland-Pfalz-Saarland – INAMI, Institut National d'Assurance Maladie Invalidité (Belgique) - Inspection générale de la sécurité sociale du Grand-Duché du Luxembourg - INSEE, Recensement de la population - Ventilation INSEE Lorraine

Figure 29: Lille's international position

Source: City of Lille information publication

Progress? – Views from the cities

23. Interviews with local players suggested that these attempts to produce an 'intense' city continue to require balance and judgement. The cities seek inner city development, but must work with what people and firms actually want. As suggested above, firms may often wish to move to bespoke greenfield sites with immediate motorway access and the ability to plan their own development (and not brownfield sites which may have a history of toxic waste and complicated restrictions on growth). Both higher skilled families moving in, and existing residents, may instinctively seek suburban houses with gardens. Making the offer sufficiently attractive, particularly when all three cities still have fairly downbeat images as post-industrial wastelands, is a real challenge.
24. There are continuing intense debates about the flexibility with which the land-use and development policies should be applied to the location of new businesses. Some officials in Lille grapple with how rigidly the policy should be applied, even if they accept that the policy may nonetheless be right in the longer term. There is a need to balance market demand with policy priorities. As noted above, in Saint-Étienne there was opposition to the more restrictive planning and building frameworks.
25. Controlling sprawl continues to be a difficulty, not least as the elected bodies in surrounding towns and villages may permit or encourage sprawl. Although housing can be restricted within the Lille metropolitan area, it is quick and easy to get to the mining villages and towns to the west and north, and even easier to get to Belgian communes, where sprawl is more welcome. Equally in Saint-Étienne there is open countryside and a plethora of opportunities for rural life within short commuting distance.

26. Delivering a denser city therefore involves changing the expectations and behaviour of both businesses and households so that they accept the necessity for a more environmentally sustainable development framework with more brownfield development and denser housing. This continues to be real challenge – as we were told by local officials in Lille: *"It is impossible to prevent people moving out of the city. We have tried to stop urban growth, but there is such an appetite for houses and gardens that this leads to larger developments in the mining towns. It's impossible to forbid".*

Summary

27. This chapter has discussed the ways in which the three cities have taken action to renew and relaunch themselves as post-industrial cities. It has set out how each has moved into cooperative local arrangements with their neighbouring communes, to form a wider base for sharing services and building the economic and social offer of the city. Each has also engaged actively in sub-regional or cross frontier bodies to build their image and potential on the European and International stage. They have also undertaken explicit consultation and planning to 'Renew the city', particularly in the case of Lille who has produced several major documents to engage existing and potential new residents. As part of this, each city has addressed their image through public works and particularly cultural developments (seeking a 'Bilbao Effect') with a view to attracting new residents and businesses. Lille and Saint-Étienne are also aiming to reduce sprawl and create physically denser city neighbourhoods as part of their planning frameworks. Discussion with local players has confirmed the commitment with which these renewal programmes have been undertaken, although they have also indicated that attracting businesses and residents to denser inner city locations can be challenging.

Chapter Six: The Social Agenda of Cities

The big challenges – disadvantaged neighbourhoods

1. This chapter considers actions in each of the cities to address the physical conditions in the most deprived areas in the cities, and to improve the quality of life of residents. It looks at the main programmes in place to deliver improvements, and information on outcomes within these areas.
2. There is a national approach to identify the main priority neighbourhoods 'at risk' (ZUS[51]*)* which are singled out for special monitoring, using small area data methods which resemble the UK approach of Lower Super Output Areas, using 'Iris' areas of about 2,000 people. These zones are defined by the Law of 14 November 1996 as "characterised by the presence of large estates or run-down neighbourhoods and by significantly poor housing conditions and employment levels". These areas are subject to regular progress reports by the National Observatory for Deprived Neighbourhoods (ONZUS[52]). There are five main axes of the policy –
   - housing and quality of life;
   - economic development and access to jobs;
   - prevention of delinquency and promoting citizenship;
   - educational achievement and equality of opportunity; and
   - preventative health measures and access to healthcare.
3. ONZUS reports on of over 30 separate programmes within the overall scope of the approach, which will provided over €5.5bn of available funding in 2011. Some key data for each of the cities is included below, although in this report we are primarily looking at issues from the ground up.
4. Figure 30 sets out the proportion of residents in these at risk neighbourhoods, and those in areas covered by related improvement programmes, as well as those covered by the Urban Social Cohesion Contracts (CUCS[53]) programme which funds local contracts to address deprivation (mainly in the ZUS).
5. Almost one in four residents in the Lille Metropolitan Authority is within an area which receives state funding from the main CUCS deprivation programme, as commented on by a Lille official "*in other cities, Roubaix for example, the social divisions are less evident – but that is because the entire city is in difficulty, and there are no good neighbourhoods."*

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[51] Zone Urbaine Sensible
[52] Observatoire National des Zones Urbaine Sensibles
[53] Contrats Urbain de Cohésion Sociale

Figure 30: Residents in deprived areas and Urban Social Cohesion Contracts (CUCS) programme funded areas

	Residents in deprived neighbourhood (%)	Residents in CUCS improvement area (%)
Lille LMCU	18.6	40.8
Metz Metro	8.6	11.2
Saint-Étienne Metro	6.5	27.2
All cities receiving deprivation funds	11.8	23.3

Source ONZUS, 2010

6. The proportion of residents in areas deemed at risk in Metz and Saint-Étienne are lower than average for cities included within ONZUS monitoring, although the programmes cover a wider range of local residents in Saint-Étienne.
7. Each of the cities delivering targeted programmes and policies locally are seeking to deliver a better social mix and an improved quality of life for residents in the most deprived neighbourhoods. These areas include a mix of inner city, more traditional housing, as well as peripheral system-built housing. None of the estates demonstrate the scale or concentration of deprivation, nor the extent of physical isolation from the city centre, that characterises some of the worst peripheral estates in the larger French cities such as Paris, Lyon or Marseilles. Nevertheless given the scale of the cities in our studies, exclusion within deprived neighbourhoods remains a considerable challenge.
8. These difficult estates were the focus for serious riots in Lille and Saint-Étienne during the November 2005 disturbances. These followed major riots in Lyon in 1977, and in various locations in France during the 1990s, followed by further significant disturbances prior to and during the November 2005 state of emergency which was declared to curb persistent rioting taking place over three weeks throughout estates in France. Local agents in Saint-Étienne were very conscious of these recent problems and were concerned that the anticipated levels of cuts to national grant funding for estate renovation may increase tensions and the risk of possible unrest.

Major programmes

9. Box 7 shows the major neighbourhood improvement programmes. Speed is seen locally as a key element of these programmes. The creation of the delivery body EPASE[54] in Saint-Étienne was described as follows: "*mid 2000 the state saw that reconversion had been going on too long – the last mine had closed 40 years previously. It decided to create EPASE to give the city the tools to move the reconversion to success, accelerating the process*".

[54] Etablissement Public d'Aménagement de Saint-Étienne

10. In each of the cities these programmes were subject to extensive local engagement and consultation. They included clauses obliging contractors to provide skills training to local residents and a minimum employment rate of local people (usually 5%).

11. In Lille there is a clear commitment of engagement with residents, on the principle "*at each stage of each proposed operation to put in place a process seeking the advice, co-operation, contribution…to gain added value, economic value, social value, cultural value…through dialogue, information, consultation, ….mobilising all the means of participative democratic dialogue.*"[55] In concrete terms this means a range of opportunities for partnership between residents and planners – including regular meeting between elected representatives and local resident organisations ('*conseil communal de concertation*') or local committees to consider specific issues, neighbourhood councils (*conseils de quartier)* and local elected young people's committees . There are also regular citizen forums and workshops, and the combined evidence and information from these meetings is systematically fed back to the main planning and decision making forums, and outcomes reported back.

12. An understanding of these programmes can be better obtained by a more detailed examination of two specific projects, the Lille South estate in Lille, and Montreynaud estate in Saint-Étienne as shown in Boxes 8 and 9.

Box 7: Major neighbourhood improvement projects

Lille

- A budget of €482m
- Rapid progress in bringing to fruition within 6 years a programme that would normally have taken 10 to 15, managed by the City of Lille
- 3,400 new homes, of which 1,100 are to be social housing (replacing 750 homes demolished) ; 900 private rented, and 560 for owner occupation
- Internal improvement for 4,500 further homes
- A further 400 new homes and 900 renovated homes for the private sector

Metz

- A budget of €60m
- Delivery over five years till 2011, managed by the Metz development agency (CA2M) on behalf of the communes in the metropolitan area
- Planned improvement of 3,000 homes in five priority areas – 45% of Metz low income households live in these areas.

Saint-Étienne

- A budget of €333m
- Delivery over 7 years (till 2012) driven by a specially created public regeneration delivery body EPASE[56]. Two programmes in system built estates, and two programmes in areas of run down city centre traditional housing.
- 1016 demolitions and replacement by 1051 new social rented units.
- 4,000 homes to be rehabilitated.
- By end of 2010 2,000 new homes delivered, and three quarters of the budget committed

[55] Ville de Lille 2005 Un Nouvel Art de Ville p312
[56] Etablissement Public d'Aménagement de Saint-Étienne

Box 8: The Lille South Estate Project

- Biggest estate in Lille, with 9% of the city population, 20,000 residents
- Social housing makes up 72% of buildings, built 1954-1982 with no overall estate development and services plan. “Les Biscotte” blocks demolished in 1989.
- Initial letting included to North African new immigrant industrial workers in about half the cases.
- Separated from the city by the railway, motorway, and a 20ha cemetery which divides one section of the estate from the rest.
- City of Lille produced a history, including photos and interviews with long term residents, in 2010 as part of the programme to engage residents[57]

Programme Aims

- 480 demolitions, 1,600 renovations, ‘residentialisation’ of 2,600 homes (essentially works to create private spaces and engender ownership and security); 1,740 new homes including 40% private rented, 35% owner occupied, and 25% social rented, with the aim of generating greater tenure mix.
- Creation of new green spaces, walking and cycling routes, wider pavements, a 4ha urban park.
- New provision or renovation of public facilities including schools, the swimming pool, a centre for young workers, social centres and multi-purpose halls.
- Agreement for a new tramway link by 2017
- Work provided through the contracts for 262 people (90% from the estate) totalling 200,000 hours

Box 9: The Montreynaud Estate Project, Saint-Étienne

- Became the ‘8th hill’ on which Saint-Étienne was built in the 1960s, and opens out onto the plain to the north, and the motorway
- 12,500 residents, 3,668 homes, 56% social housing, 31% unemployment
- 10 minutes from the city centre, but at edge of city and up steep hill

Programme Aims and achievements

- Demolition of 342 social housing and 90 co-ownership units. Rehabilitation of 450 social housing and 625 co-ownership units, new build of 50 social housing and 190 private housing units
- Improvement of public spaces including main (switchback) road, Montreynaud Park, central square, public spaces around blocks to create private gardens, new walking and cycling routes, provision of an eco-park space, and improvements to green spaces surrounding the estate as a whole.
- New commercial centre “Eparica”; 3,200m^2 of offices including 1,400m^2 for workshops at “Grand Ourse” eco-standard activity space. 2,140m^2 of commercial space including 1,400m^2 for offices at “Green Space”; 75 units of 450m^2 each for mixed use at “912 rue de Molina”
- Business Startup Support Centre and Business Zone (ZFU[58]) with individual support packages, shared services, links in to supporting professionals, business space and offices. 394 businesses in 2010, 1,530 jobs, 11% growth 2009-10, 25% firms with 3-9 jobs, 10% with 10-100
- Work provided through the contracts for 128 people, with 90,000 hours throughout all the city priority areas

Excluded groups and estates in the case study cities

13. Areas targeted for assistance are generally made up of ex-industrial workers, including different waves of French rural workers, interwar European immigrants, and post war North African immigrants. However in all areas there is an absence of ethnic monitoring data. There is little new that can be said about this well established French policy which does not collect ethnic data in order to uphold the republican ideal of egalitarianism. The

[57] Ville de Lille 2010a
[58] Zone Franche Urbaine

main available figures related to ‘immigrants’ for which the available figures for each metro area are shown in Figure 31.

Figure 31: Immigrant populations in metro areas (%).

Lille LMCU	4.8
Metz Metro	8
St-Étienne Metro	5.7
France	8.4

Source: INSEE

14. It is likely that the figures for immigrants include many cross border migrants from neighbouring EU countries (e.g. from Germany in the case of Metz) and do not include second generation residents who are from non-French ethnic backgrounds. Local officials were willing to talk in terms of differences in neighbourhoods, and specific issues which impacted on opportunities for employment and the cohesion of the neighbourhood, but seemed unconcerned with the lack of reliable ethnic data. Problems often involved young people from neighbourhoods with a high presence of families from certain ethnicities, but no systematic information was collected to reflect this.

Has exclusion decreased?

15. The wider question is whether beyond the delivery of these programmes there is an improvement in the opportunities and quality of life on the estates in the study; and these changes can continue through a worsening recession and fiscal crisis? The national picture, presented by the national observatory[59], suggests a widening in the gap between the most deprived areas and other parts of the city, with two and a half times more households living below the poverty line in poor areas and an increasing gap in terms of obesity and poor health. The most pressing concern for residents in deprived areas is delinquency (albeit a reducing problem), whereas in more affluent areas traffic is the main concern.
16. Between 1999 and 2006, there was an increasing gap in employment rates and the rate of post school qualifications between poorer areas compared with the wider metropolitan area. There was also a growing gap between improvements for women and worsening outcomes for men in two of the cities.
17. In 2006, the Lille Metropolitan Authority had a 14% greater rate of unemployment for men in the most deprived areas (those designated ZUSs[60]) compared to the other neighbourhoods, and a similar difference for women (15%).

[59] ONZUS 2010
[60] Zone Urbaine Sensible (Deprived Neighbourhood)

18. The rate at which residents gained post school leaving certificate qualifications increased (between 1999 and 2006) in the deprived neighbourhoods at only half the rate it did across the area as a whole. In the deprived neighbourhoods there was also a 7% increase in the incidence of single parent households. It would seem, therefore, that even though the period examined in those figures was one of growth, nevertheless the gap between the poorest areas and the metropolitan area as a whole was increasing. These figures cover the LMCU area, and the local view expressed to us is that this pattern of worsening outcomes in the deprived neighbourhoods was likely to have accelerated in the crisis of 20087-9.
19. In Saint-Étienne the overall picture for 1999-2006 was that the rising employment rate in the metropolitan area as a whole had brought down unemployment to where it had been in 1990, and in fact there was no real change in the relative unemployment in the worst areas – although if disaggregated between men and women an increase in male unemployment was made up for by a reduction in the rate for women. In parallel the number of women in the deprived areas who gained additional qualifications was greater than men, though again this was slightly lower than the average for the area as a whole.
20. In Metz there was a similar picture of employment levels returning to the 1990 level by 2006, and equally a reduction in female unemployment in the deprived area matched by an increase in male worklessness. Again there was a similar phenomenon in respect of post school qualifications where the rises was less marked in the poorer areas, and considerably lower for men. Metz does, however, have a significant level of degree level qualified residents in the area as a whole (28%).
21. Looking at the relationship between these works and skills building, in Lille we were told that where works stopped, there was much less active work with residents, and no opportunities for skills building. *"Bringing actions which have the depth and duration needed to tackle low skills for this group is difficult and can only be done at City level. But it also needs more solidarity between the different communities, to avoid going back to silo mentalities – mixed activities and investment. These programmes brought this, but we need to do more of it[61]".* This was becoming more difficult with the recession, however. Local agents have noted that not only were local firms less able to provide jobs, but also the more middle class areas feeling the pinch and threat of recession, and therefore less likely to feel 'solidarity' with the worse off neighbourhoods.#

[61] City of Lille Improvements works official

Summary

22. This chapter has described details of the extensive programmes to rehabilitate the most run down estates in the cities including their aims, costs, and overall shape, ranging from €480m in Lille to treat over 10,000 homes to €60m in Metz to treat 3,000 homes. The scale of the problems is very different between Lille metropolitan area where almost one in five residents lives in an area officially classed as 'at risk', to Saint-Étienne where perhaps surprisingly only 6.5% of neighbourhoods meet this official definition, although 27% or the residents in the city live in areas covered by nationally funded Urban Social Cohesion Contracts (CUCS[62]). Demolition, rehabilitation, the construction of owner occupied homes to provide a better social mix, and environmental improvements were elements of the programmes. A more detailed look at two of the estates indicated the extent of efforts works to support employment and business creation, particularly in the Montreynaud estate in Saint-Étienne.
23. Overall these programmes were progressing according to plan and on the ground clear improvements were visible. Local agents were enthusiastic and active, though two comments were common . First, that the improvements were still 'fragile' in that the progress made could be easily reversed by a slowdown in the pace of improvement work or a further downturn in the economy. Second, there was a clear view that the process needed to continue to cover the remaining untreated areas of disadvantage, for which public sector investment at similar levels would be required.
24. However, the wider picture is more mixed. Detailed figures from the national observatory of deprivation suggest that the gap between the rich and poor neighbourhoods is not closing, perhaps because of the types of economic progress and initiatives taken elsewhere in the city. Absolute figures suggest an improvement in the overall levels of employment and skills between 1999 and 2006 – but in terms of differential progress, these neighbourhoods still seem to be disproportionately disadvantaged.

[62] Contrats Urbain de Cohésion Sociale

Chapter Seven: Developing and delivering the Climate Change agenda

A new green economy?

1. Green economy activities, according to OECD[63] and Eurostat, are those which produce goods and services able to measure, prevent, limit, or correct environmental impacts such as pollution of the air, water or land; as well as problems, linked to noise, waste, and ecosystems. The main French legislative framework is the 'Grenelle of the Environment'[64] (see Box 10).

Box 10: French climate change legislation

National Aims – by 2050

- 25% reduction in greenhouse gasses
- 23% of energy from renewable sources

Areas of Action

Building construction and insulation; energy generation and conservation; transport; biodiversity; waste; agriculture; information provision and training

Costs

€450Bn to 2050, equally divided between public, private and household expenditure. Transport estimated to require 22% of expenditure, buildings 47%

2. The definition of green growth offered by the Ecology Ministry[65] is "the growth of new technologies and new services which will enable us to adopt modes of living, of consuming, and of producing which are less wasteful in terms of natural resources, and emit less greenhouse gases".
3. This covers:
   - standards for housing insulation and heating,
   - better public transport and lower vehicle emissions,
   - the development of renewable energy to provide 20% of supply,
   - a reduction in energy use of 20% by 2020,
   - air quality and environmental health provisions including waste disposal,
   - an increase in the use of organic farming, and
   - the creation of local 'green networks' linking sites with a range of local diverse plants and animals.

[63] Set out in, for example, OECD 2011a
[64] Grenelle 1 was passed on 3 August 2009, and Grenelle 2 on 12 July 2010.
[65] MEDDTL 2010

4. There is an obligation on public bodies to take steps to deliver these measures in their area, including engaging their residents directly in the process of reducing energy consumption and addressing key environmental issues.
5. There are three reasons in which this is important for our case study cities. First, we need to look at how they engage with the new requirements (which come fully into play in 2012); and the wider agenda of delivering climate change reductions. Much of this is done through the ‘Agenda 21’ programme, which is delivered by a set of local programmes but loosely coordinated by a National Observatory of Local Agenda 21 Actions. Secondly, action on the green agenda overlaps with economic development – new jobs in the ‘green economy’. Thirdly the green agenda overlaps with social cohesion activities to address deprivation, not least since the impact of higher fuel costs will be disproportionate on poorer households. There is also a need to consider how and whether to provide subsidies for the capital costs to provide insulation to social housing, and to insulate the homes of poor owner occupiers.
6. These changes provide a huge opportunity for the development of new technologies and industries, including energy generation, new manufacturing materials and processes, jobs in industries such as building insulation, public transportation, the development of new forms of urban design, agriculture, and alongside this the opportunity to develop world class and internationally successful businesses. France, and Europe, have the opportunity to develop leading edge technologies to be used within the domestic market to undertake the extensive environmental works needed for greener buildings, transport, energy generation and other areas. There are also opportunities to export expertise, services, and green goods to other parts of the world. Innovation and new technical solutions are central to this, and support and encouragement for small local enterprises is crucial to making progress. These small and medium enterprises have an approach which is flexible, capable of engaging a wide range of partners including universities and research bodies, able to respond quickly to new markets, and quick to grow. As such they are likely to be a more prevalent model in the recovery than more traditional large scale, and declining, industries.

Action in the cities

7. The Lille Charter of Sustainable City Renewal has a consultative and citizen focused approach to address the challenges of the green agenda: “The issue is perhaps less to create eco-neighbourhoods than to help the emergence of eco-residents or eco-citizens”[66] . Lille (and the LMCU) is furthest amongst the three cities in delivering the

[66] LMCU 2005, *Charter of Sustainable City Renewal – 2015*, Lille p8

climate change agenda. It has been part of the UN's 'Agenda 21' agenda for the last ten years, including its first Agenda 21 programme of local action 2001-2008 agreed in 2000 after a period of local consultation and discussion. This was followed by an updated strategy for 2006-10 in February 2006[67]. The current Agenda 21 for 2010-2014 was passed in March 2010. It has subsequently published an ambitious and detailed catalogue of detailed actions around these programmes[68], and a short summary highlighting the 180 projects and 500 specific actions ('Sustainable Development in Action'[69]).

8. In 2010, following extensive consultation during 2008-2009, LMCU published a summary of changes needed to existing and new neighbourhoods, under the general heading of 'Eco-neighbourhoods'[70]. It also published a further update on progress[71], which provides illustrated examples of projects and interviews with local people who are involved. Lille is about to set up a specific 'Green Renovation Centre' (*Maison de l'habitat druable)* to assist citizens and businesses locally in understanding what they can do to reduce emissions through building insulation.
9. Lille has received a range of awards for its green activities including 'The planet says thanks' government award in 2001, an Environment Magazine prize for Green local authorities in 2002, and Energy Award from the European Association of Local Authorities in 2006.
10. Lille was also host city for a national workshop around new forms of inequality, promoting social cohesion within the context of sustainable development. This was held in 2010, under the auspices of the National Observatory for Local Agenda 21 Projects, as part of their mission to identify and promote emerging good practice.
11. The range of projects which are being developed and supported under this set of Lille policies is set out in Box 11.
12. Saint-Étienne first engaged with Agenda 21 in 2002, leading to the 2007-09 plan. The current version is for '68 Actions during 2010-2014', following discussions and public debate initiated in 2008, with a budget of €23m, and the main current priority areas and actions are set out in Figure 43. A web-site has also been developed where families can sign up to be a 'Positive Energy Families' (Box 12).

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[67] LMCU 2006, Agenda 21 available at http://lillemetropole.fr/gallery_files/site/70090/124264.pdf
[68] City of Lille 2010, *Agenda 21 : Lillois Fiches – Projets 29 Mars 2010*
[69] City of Lille 2007, which can be found at http://mediatheque.mairie-lille.fr/lille/fr/Vie_economique/Developpement_durable/DD_en_action.pdf?42361212112011=
[70] LMCU 2010, *Charte des éco-quartiers* » available at http://www.lillemetropole.fr/gallery_files/site/152337/169050.pdf
[71] City of Lille 2010, *Sustainable Lille.* This update is in the context of the 2010-14 plan and available at http://mediatheque.mairie-lille.fr/lille/fr/Cadre_de_vie/developpement-durable/Revue%20enti%E8re%20en%20double-pages.pdf

Box 11: Lille Agenda 21 – main themes for action, 2010-14

Modes of production and consumption: City policies on green purchasing; better management of waste; promotion of recycling, locally grown food in schools, new businesses for producing green goods; public information and education activities.

Energy and climate plan: reduction of energy use in all City facilities including social housing units (to save up to 45,000 tonnes of CO_2p.a.); reduction of energy use for public lighting and heating (36% reduction for lighting in 5 years to 2009); actions to reduce fuel poverty and the impact of climate change on the most excluded citizens; production of a thermal map of the city to identify hotspots, and engage public awareness.

Health and sustainable development A new aspect of the 2010-14 plan involving health improvements to nutrition and health, particularly in disadvantaged neighbourhoods, including 50% organic products in schools, reduction of CMR (carcinogenic and poisonous) substances; employment health, improvements in air quality.

Sustainable city and housing: Engender a collective and dynamic identity; good quality of life for all in all neighbourhoods; reduction in social inequalities and environmental degradation. This includes the development of 7 "eco-neighbourhoods"; higher thermal and eco-performance through renovations and in new build; grants for insulation works, solar cell installation, surface water collection and related works; non-polluting public transport, and support for cycling; considerable investment in public information and support including guides, training, supporting small eco-businesses; and individual support including the new "Green Centre" ; and a new strategy for the management of water.

Culture: Supporting all forms and diversities of culture; improving the quality of cultural education and facilities; ensuring cultural events are eco-proofed; organising events to promote and engage residents in climate change including training 120 activists and holding regular social events ("Dances at Fives").

Biodiversity: Development and protection of green spaces, an inventory of biodiversity, community gardens, reduction of pesticides, promoting bee habitats, climbing plants on walls and plant and insect rich city ditches.

Box 12: Saint-Étienne Agenda 21 – main themes for action, 2010-2014

Urbanisation and Sustainable Development: Using the SCOT (land planning) and PLU (housing planning), and ZAC (commercial development) frameworks to deliver dense urban development and avoid sprawl; support this with four green ecological corridors, and cycle routes. As part of this agree and implement, through a local joint working group, high environmental quality standards for renovation and new developments, together with training for project managers. Finally, identify and promote opportunities for renewable energy developments, including wood.

Public Transport and mobility This accounts for 32% of emissions, with 65% of journeys in private cars. Actions include a radical rethink in each community of alternative transport (walking routes, cycle routes, school "walking buses" (organised groups of pupils walking to school); improvement of public transport including better transfers, a new tram, more frequent services; and a coordination project to reduce the green footprint of goods transportation

Housing and buildings: - 28% of local emissions. Identify a priority list of 1950-70 buildings for action; work with owners to build awareness of the issue and available options to act, including some financial support; training for skilled workers and supervisors in energy efficient skills; construction of 500 new high environmental standard social housing units a year.

Innovation and a green economy: Development of "industrial ecology" and green business centres; Identification of firms developing energy efficiency products and processes, including the investment of €1.4m; work to identify and improve energy inefficient city and private buildings.

Agriculture and forests: (38% of the metropolitan area is agricultural land and 20% forests). Promote organic farming, improve use of renewable energy and energy management in agriculture; reduce delivery distances; promote the use of local wood for construction

Waste Management: Reduce the production of waste, including by encouraging the one third of organic waste to be composted by residents; open new waste processing areas; reduce the footprint of waste collection; and use waste products to power more buses.

13. Progress in Metz is more recent. The initial evaluation work was commissioned in 2008, leading to an Agenda 21 plan. Following an evaluation in 2010, a new plan of action was put in place in 2011 (see Box 14).

Box 13: Saint-Étienne's 'Green Family Challenge'

Aim: To involve local residents in energy saving activities

Approach: Each "team" must recruit several other team members (family, neighbours, friends or others) and nominate a team leader. They must reduce energy consumption by at least 8%, and compete against other teams in the group over a 5 month period (1/12/11 to 30/4/12 for the current round of the contest).

Support: Each team has advice and support from 'Héliose', the Loire based independent partnership agency supporting green energy measures in the Region

Outcomes The winning team is awarded a prize, but the previous contest indicated savings of €200 on average, so there is a direct financial incentive built in.

Box 14: Metz Agenda 21 – main themes for action

Housing and Urban Infrastructure: Development of new eco-neighbourhoods; construction of high quality environmental new housing including surface water networks and cycle routes

Transport: New bus routes and less polluting buses; 20kph and 30kph reduced speed zones, and better cycle route links between the centre and neighbourhoods

Energy: Programme of works for public buildings including the City Technical Centre and Lothaire Swimming Pool saving 79 tonnes of CO_2 a year, as initial projects

Biodiversity and resources: Water mains repairs saving 1 billion litres per year; restoration work to 50% of green embankments and streams

Social Actions: "Growing old together" certification involving older people in the green agenda.

New Agenda 21 and Climate plan to be in place by the end of 2011

Green innovation

14. In its 2010 overview report[72], Lille quotes estimate that addressing the Grenelle[73] provisions will represent 20% of the construction industry activities. This is not necessarily new jobs, but retraining and skills development. To address this locally, LMCU is working with the local employment offices (*Maisons de l'emploi'*) to anticipate needs, stimulate training, and manage the market for jobs.
15. LMCU also part funds a centre in the neighbouring town of Lens which brings together environmental and business expertise as a 'one stop shop' for environmental projects (called CD2E). It is one of the biggest centres of this type in France providing 8,000 recycling jobs, and expects 100,000 homes to be rehabilitated to eco-standards in the context of the Regional plan.
16. At a national level the development of skills is crucial in building insulation and delivering new forms of energy creation, green transportation, waste and water disposal. The International Environment and Development Research Centre has estimated that in the

[72] City of Lille 2010 *Lille Durable* p13
[73] French climate change law – see Box 10

Ile de France region alone between 11,000 and 43,000 jobs could be created in the building insulation sector alone over the period until 2020[74], as a result of greater regulation. It also requires the creation of new certified courses. The OECD[75] has noted that France is in eighth position in relation to 'green patents' in the period 2005-7, although almost half of these are in relation to transport technologies and only 3.3% for building efficiency. Cities can be key players in developing job opportunities and the parallel skills development.

17. Germany has both a higher set of technical standards and overall achievement of high energy savings, and a much more developed system of loan funding. Similarly in the UK there are moves to provide a 'Green Deal' with clear technical standards as well as a commitment to quality monitoring and consumer protection, both of which will help promote appropriate training.

Protecting the green environment

18. These city renewal initiatives are intended to address the new 'green economy' agenda in a number of ways.
19. Firstly, particularly in Lille and Saint-Étienne, the location and construction of new developments is intended to re-create a set of industries which avoid the previous approach of urban sprawl. Lille has set this out in clear policy statements on a denser, mixed city. Saint-Étienne is using planning controls to focus development in specific areas, and undertaking considerable redevelopment of its previous industrial sites and city centre to bring businesses and enterprise back to the existing city infrastructure. All three cities are investing in public transport and environmental works to support this. This extends to the design and construction of the new office and industrial units to higher environmental standards (such as in the Euratechnologies development in Lille or 'Eco-cité 128' in Metz).
20. Secondly each city has chosen to pursue specific developments and innovations to address the environmental agenda. Amongst the flagship projects above several stand out as leaders in developing a green economic sector (see Box 15).

[74] CIRED 2010
[75] OECD 2011

Box 15: Developing the Green Economy – Examples

Lille

- I-Trans[76] – innovative approaches to green transport
- MAUD[77] – innovative green chemicals and materials
- Regional leader in recycling, soil treatment, and waste-to-energy schemes
- Inland ports intelligent exchange project to reduce carbon footprint of goods exchange

Metz

- IRT M2P[78] – 'Grenelle[79] of the East' for materials research to mitigate climate change
- ULCOS – Ultra low CO_2 steel making initiative
- Fibres Naturelles – developing new materials using natural fibres

Saint-Étienne

- City of Design – design solutions to address sustainability
- Loire Numérique – ICT solutions for less resource intensive joint projects
- CIRIDD – international innovation centre for sustainable development

Involving communities

21. The climate agenda is likely to impact more severely on poorer households in deprived neighbourhoods due to the rising cost of oil and gas increasing energy costs, and measures to reduce consumption. Research in the UK on fuel poverty[80] and on the potentially regressive effects of current UK climate mitigation policies[81] illustrate that in general poor households are disproportionately hit by increasing energy prices. Reducing consumption is problematic as poor owner occupiers may well not be able to afford the capital works to improve their home insulation. Equally thermal insulation improvements in the rented sector require capital investment, and if landlords are to benefit from their investment this would almost certainly increase rents. Expected savings in energy consumption to pay for such increases may not be realised if poor households currently occupy cold homes to keep current bills low, and expect greater warmth in exchange for higher rents.

22. In parallel, preliminary papers for the Lille workshop of the National Agenda 21 Observatory[82] suggests *"Agenda 21, a new and compelling tool for a shared vision, constitutes a means of supporting people to make changes supporting sustainable development*". This is reflected in Lille's Eco-Neighbourhoods Charter which stresses the

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[76] International centre for ground transport systems – see box 1
[77] Materiaux et Applications pour une Utilisation Durable (Materials and Applications for a Sustainable Use)
[78] Institut de recherche technologique métallurgie, matériaux et procédés (Institute for Research in Metals, Materials and Processes)
[79] French climate change law – see Box 10
[80] Eg Hills 2011
[81] Eg Gough I, et al 2011; CASE Paper 152
[82] Introductory Note to Workshop 6, October 2010, available at http://observatoire-territoires-durables.org/IMG/pdf/OBS_atelier6_Note_d_introduction_cohesion_sociale_oct10-2.pdf

importance of participation and exchange, to ensure longer term behaviour change which is essential to realise the intended benefits of the work[83] (see Box 16).

Box 16: Engaging citizens in eco-neighbourhoods – LMCU

Main Vehicle for participation: a flexible "Project Forum" which changes as the various stages of work to reduce the carbon footprint and improve the environmental standards of a neighbourhood unfold.

Development phase: Involving residents, local groups, local elected members, landlords, local employers and firms, architects and developers, universities and colleges, and people from neighbouring areas. The aim is to understand the needs and local context, then agree the way forward and specification of the changes.

Delivery phase: The forum has a physical presence on the estate to work with the residents and the contractors to improve the communications and day to day management of the works.

Long term post works: The forum continues its work with additional events and campaigns, some of a more social nature, aimed at:

- Basic information about the neighbourhood and its development aims
- Specific information and persuasion around green behaviour and sustainable practices (public transport, energy management at home, disposal of waste, use of water)
- Inter-generational support
- Tenants groups
- Residents groups and integration of new residents
- Possible further action to stimulate self-build projects for further improvements, or wider green initiatives in neighbouring areas

Information provision: Extensive and detailed guidance to residents and landlords on doing improvements available at http://www.mairie-lille.fr/fr/Urbanisme_et_logement/se-loger/faire-travaux-chez-soi

23. This is the type of planning and prioritising can be seen both in Lille's heat maps of properties and Saint-Étienne's priority ordering of properties for insulation improvement works. Persuading landlords, tenants, owner occupiers and business owners that they should invest in the type of insulation and environmental works which are necessary to deliver the Grenelle[84] agenda is difficult. The steps taken in Lille and Saint-Étienne can form the basis for priority actions to consider more economical street, or block level, contracts (where all properties are dealt with under one programme), or specific large contracts focusing efficiently on specific types of property or portfolios owned by multiple owners.
24. Reducing costs is a key driver of action, but increasing awareness and acceptance of the need to act is crucial and likely to be extremely difficult. The final details of legislation to force owners to reduce the thermal footprint of their buildings (including particularly shops and offices) remains to be seen. Cities will be major players in disseminating the message and ensuring progress is made. However, none of the cities yet has a detailed plan of how to achieve this, nor adequate mechanisms to make the plan happen,

[83] LMCU 2010 *Eco-neighbourhooods Charter* p22
[84] French climate change law – see Box 10

although Lille is probably furthest ahead. Preparing these plans, in close collaboration with local residents and owners, is the next step.

Summary

25. This chapter has considered how each city approached the Grenelle[85] agenda through Agenda 21 local programme and related activities. They share common themes – urban planning restraints to densify the city, a focus on transportation including public transport and cycling; actions to identify priority buildings for insulation; means to engage the public in understanding and participating in the green agenda; and a focus on improvements to public buildings and facilities like swimming pools or market and commercial spaces.
26. The cities, Lille in particular, make links between engagement in the green agenda, addressing social solidarity and tackling deprivation. Developing new green skills is an important aspect of training and employment initiatives, although the national standards for Grenelle works currently being put in place will provide a further stimulus to this, once finalised. Engaging local residents in works to develop ‘eco-neighbourhoods’ involves many of the same approaches to consultation and resident involvement as used in the major renovation projects described in Chapter 6. Lille’s approach to eco-neighbourhoods also recognises the need for long term investment in developing ‘eco-citizens’ rather than just doing eco-works programmes. Unless citizens change their behaviour in relation to energy use, waste disposal, chosen means of transport, installing insulation etc, the expected savings will not be achieved.
27. Finally there are initial steps being taken to frame a more systematic approach to building insulation and a programme of works. It is not clear whether the programme can deliver the 20% reduction in CO_2 emissions by 2020 that French cities are expected to achieve. Nor is it clear that any city has fully addressed the issue of subsidising owners who lack the means to undertake the work, although grants and loans are available in Lille. Nevertheless the overall picture is one of engagement, and commitment, albeit incomplete and with insufficient analysis and planning to deliver progress to meet the targets.

[85] French climate change law – see Box 10

Chapter Eight: Major programmes and the Financial Crisis

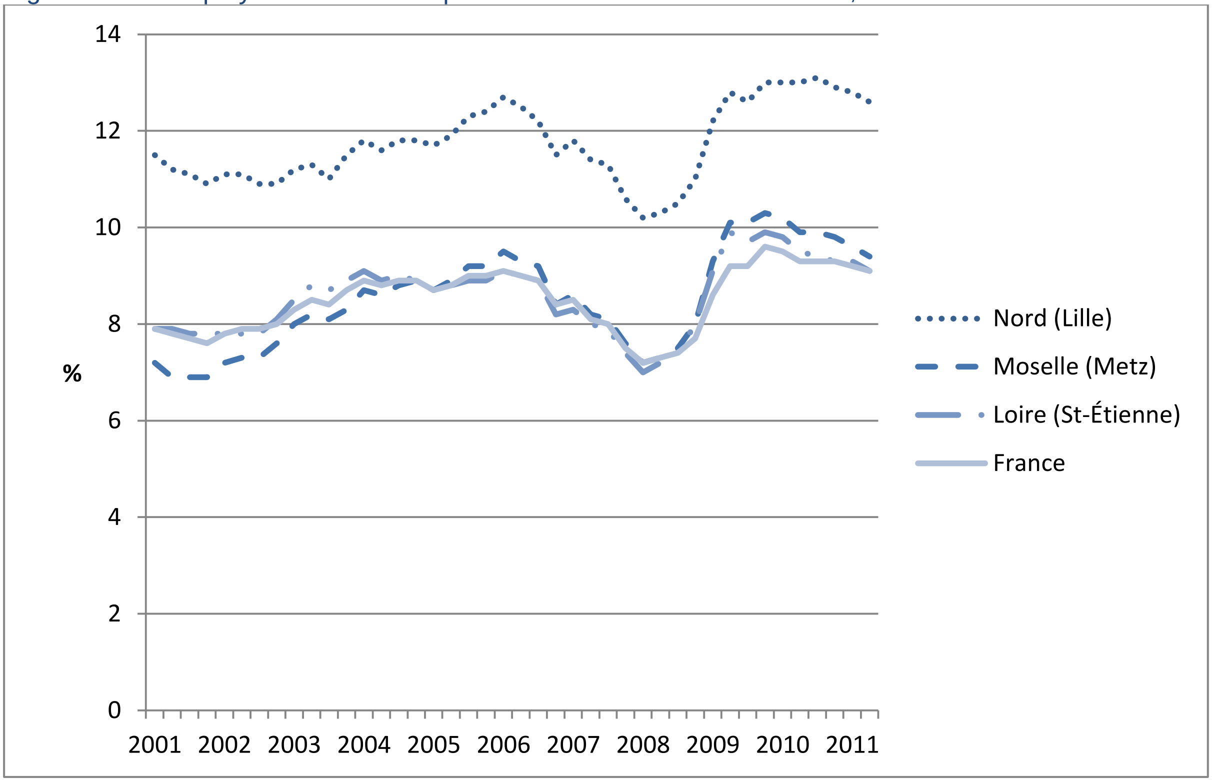
Introduction

1. This chapter briefly examines the impact of the current financial crises, and likely financial challenges in the near future. Clearly it is difficult to make much definitive comment at this point, given the continuing turmoil in the Eurozone and world economy, but we reflect comments made during the study, as well as the impact of the 2008-9 recession.

Increased unemployment

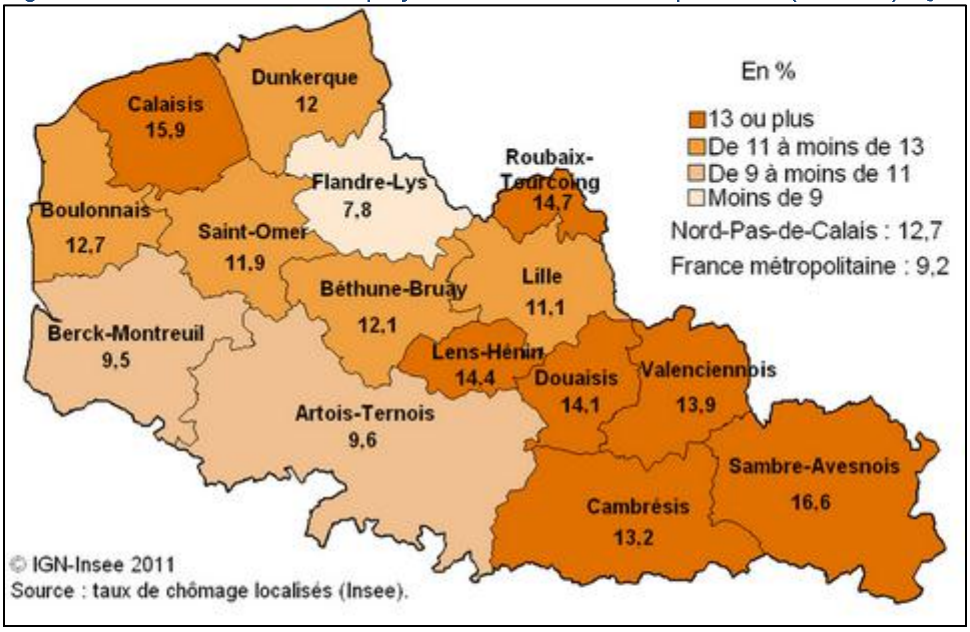
2. Figure 32 indicates the extent of the impact of the 2008 downturn on each of the departments in which the cities are located, in a ten year context. It shows the overall progress over that period in each of the cities, as well as the considerably higher unemployment in Nord in general (the region of Lille).
3. More detailed context is provided by Figure 33 which breaks down the figures for the Nord Department at the end of 2010, showing an unemployment rate of 11.1% in the city of Lille and 14.7% in the rest of the LMCU area.

Figure 32: Unemployment rates in departments where cities are located, Jan 2001-June 2011



Source: Insee 2011

Figure 33: Breakdown of unemployment rates in Nord Départment (incl Lille), Q4 2010

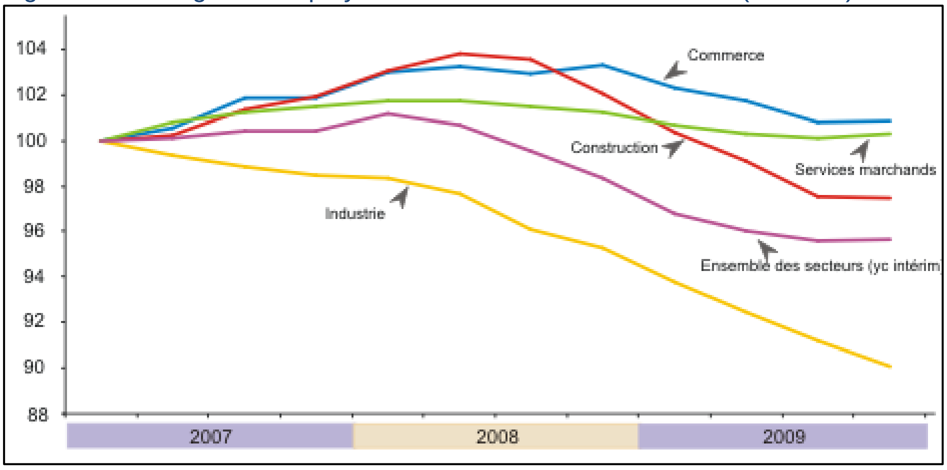


Source: Insee, 2011

A continuing decline of industrial jobs

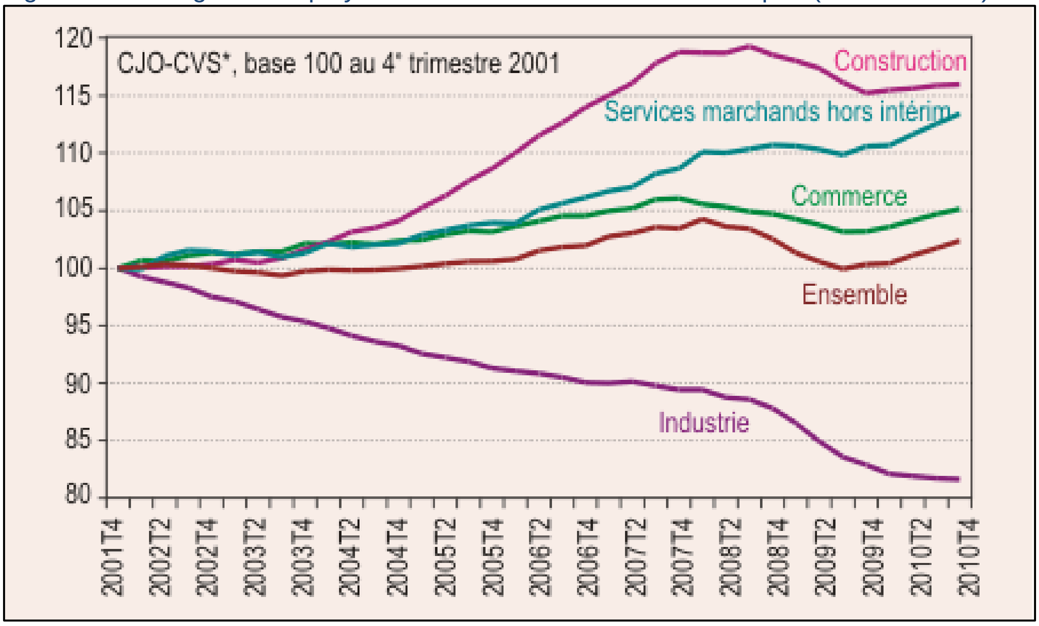
4. Further analysis of Lorraine (the Region in which Metz lies) and Rhone-Alps (Saint-Étienne) shows a continuing loss of industrial jobs. Figure 34 below indicates the rapid reduction in industrial jobs (against a base of the start of 2007) compared to commerce and business services.
5. A similar reduction in industrial jobs can be seen around Saint-Étienne, as well as increases in business services and commerce, although here the construction sector has recently increased after a sharp downturn in 2008 (in contrast to a decrease in Lorraine)
6. This is consistent with the evidence in previous chapters– each of the cities is seeking to develop a new and non-industrial employment base. It does, however, indicate continuing pressure in terms of decline of industrial jobs, and the risk of further marginalisation of unskilled industrial workers.

Figure 34: Changes in employment sectors 2007-9 in Lorraine (for Metz)



Note: A sharp reduction in industrial jobs: Base 100 at Q1 2007
Source: Insee

Figure 35: Changes in employment sectors 2001-10 in Rhone-Alpes (Saint-Étienne)



Notes:

a) Sharp reduction in Industrial jobs, 2001 -2010
b) Base 100 at Q4 2001

Source: Insee

Debt levels

7. Another area of risk in the current economic climate is the financial stability of the cities. Figure 36 shows the situation in 2006 in the three cities and their metropolitan areas.
8. The debt in Saint-Étienne tripled between 2001 and 2006 to rise to €2,087 per resident, with a theoretical payback period of 24.4 years, one of the highest rates of debt in France. Saint-Étienne incurred some of these debts during the tenure of the previous mayor Michael Theolière, who programmed major public works, funded in some cases through low interest loans with subsequent high interest rates. This became a major

issue under the newly elected Mayor Vincent (in March 2008), who decided that this approach required radical change and consequently made cuts to programmes and dealt directly with the lenders to tackle this issue. Some projects that had already begun during the change-over (Cité du Design, Zénith, Cité administrative, Maison de l'Emploi) are either completed or near completion; others have been abandoned (such as further extensions to the Tram), or reoriented (Chateaucreux and Plaine Achille with l'EPASE, two very ambitious projects explained in previous chapters). Mayor Vincent's view is that the situation is now under tight control and manageable. This did not prevent him attacking the Presidential policy on city debt assistance to cities, seeing it as inadequately supportive and proactive.

Figure 36 City debt levels

	City debt per resident 2006	Payback period (years)	Metropolitan body debt per resident 2006
Lille	€ 800	3.90	€ 1,422
Metz	€ 155	0.75	€ 9
Saint-Étienne	€ 2,087	24.40	€ 363

Source: Le Journal du Net[86]

9. This exchange was in the context of the 2011 report from the French audit authority (the *Cour des Comptes*) on local debt[87], which states that the current debt of cities and their associated metropolitan bodies is under 8.3% of GDP (and hence likely to be within the bounds of affordability locally) and that few cities had what it considered to be unreasonable problems of repayment periods and rates. However, it also states that the overall level of local debt had risen 44% in the period 2004-2010, and currently stands at €161Bn, representing 10.1% of total public sector debt, with the largest proportion in the cities themselves (commune level, not metropolitan areas) (Figure 37). The report also set out comparative levels of local debt for other countries (Figure 38).
10. A similar picture emerges in a recent OECD report on the French Economy which sets out the level of government debt by sector, indicating the much lower level of local debt and improving position in relation to deficits, in the period up to 2008[88]:
11. It would appear that the level of debt in the cities is manageable, particularly in terms of the short payback periods limiting the risk, although the position of both Saint-Étienne and of LMCU is more likely to cause continuing concern

[86] See eg http://www.journaldunet.com/economie/magazine/expliquez-moi/elections-municipales-villes-endettement/13.shtml and related pages
[87] Cour des Comptes 2011 *La Gestion de la Dette Public Locale* Figures in this paragraph from p15.
[88] OECD 2011 Economic Surveys: France p 48

Figure 37: Distribution of €161bn of local debt 2010

	Distribution (%)
Communes	41
Metropolitan Areas	18
Departments	18
Regions	10
Other	12

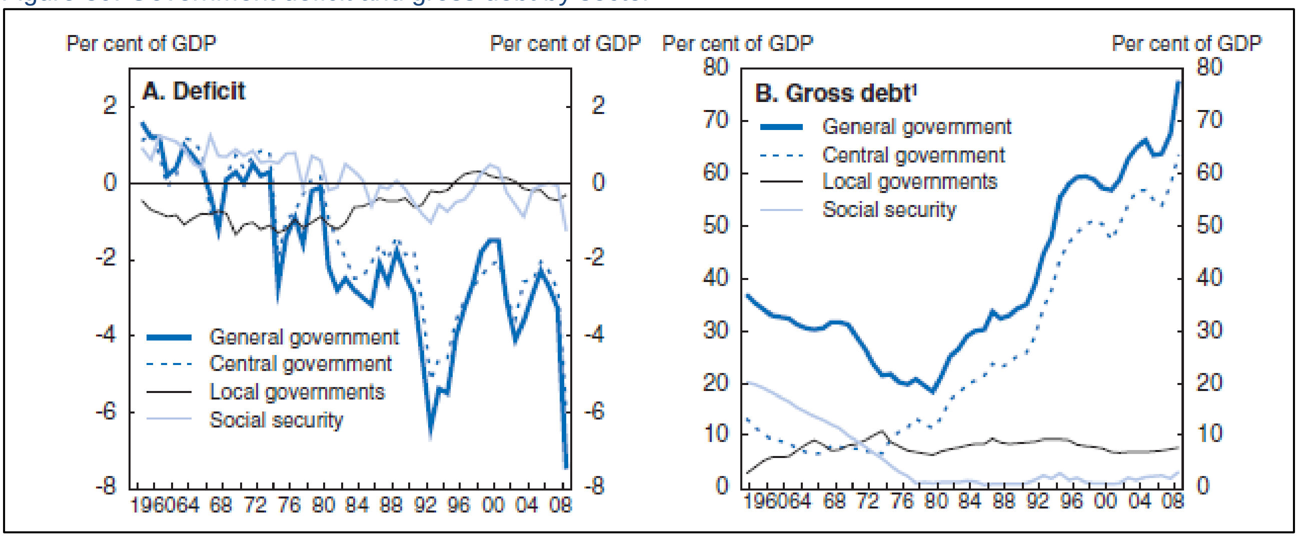
Source: Cour des Comptes 2011

Figure 38: Local debt levels (% of GDP) in other WMC Countries

France	8.2%
Germany	29.1%
Italy	8.6%
Spain	11.5%
UK	4.8%

Source: Cour des Comptes 2011 p19 – EUROSTAT

Figure 39: Government deficit and gross debt by sector



Note 1: Gross public debt for 1958-69 is calculated using general government deficits; gross debt for central and local governments and for social security is derived using deficits for 1958-77.

Source: Insee, OECD, Economic Outlook 88 Database

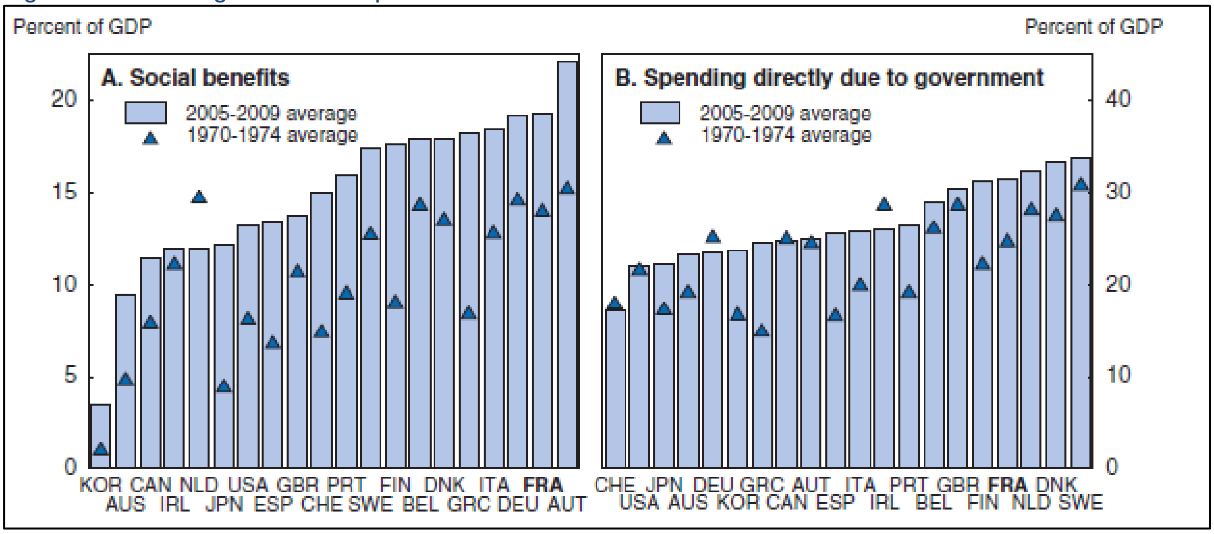
Local taxes

12. Another issue is the recent reform of TP (Taxe Professionnelle), a business tax at the local level. Although this reform was intended to be neutral in its impact on city finances, it has reduced by 25% the previous TP-based revenue in Metz. Additionally, taxes based on economic trends (such taxes on housing transactions) have suffered and will continue to do so as long as economic growth remains low. Consequently, in the short and medium term, action at a local authority level could be reduced as a result of these changes.

National programme funding

13. The issue of most concern was future funding for tackling deprived estates and supporting new businesses if the expected significant cuts in public expenditure were made.
14. France has one of the highest rates of public expenditure in relation to GDP of any EU country. For the period 2005-9 France is exceeded only by Austria in social benefits expenditure, and for direct government spending only the Nordic countries are above France (both indicators as a percentage of GDP) (Figure 40).

Figure 40: Direct government spend and social benefits in OECD countries



Note: Direct government spending includes government final consumption expenditure, other current payments by general government and net government fixed capital formalities. Social benefits include social security benefits paid by general government and government subsidies.

Source: OECD 2011 *Economic Surveys: France* p51

15. France's general government deficit in 2009 was a record 7.5%[89] and its level of public debt in 2010 was 83.2%[90] of GDP. The government has set out a plan for fiscal consolidation to reduce the deficit to 2% by 2014, and to contain public expenditure at national and (to some extent) local level[91]. This reduction in spending is likely to impact on programmes in areas like our case study cities.
16. To address the problems of economic revitalisation and neighbourhood rehabilitation, the government set up a national city renovation agency (ANRU[92]), with €42bn of investment up to 2013. Currently it cover 530 neighbourhoods (189 deemed priority), including the 791 most deprived small areas (ZUS), but there is concern about what funding will follow this programme. Considerable progress had been made under ANRU, and its

[89] Ibid p 52
[90] Ibid p 22
[91] Loi de programmation des finance publiques pour les années 2011 à 2014
[92] L'Agence Nationale pour la Rénovation Urbaine

predecessor which introduced the new approach to longer contracts for major projects but local officials were worried: "*before we always knew that more programme funding would be provided, just not how much. Now the programmes are already being cut and we just don't know whether they will be continued at all*"[93]

17. The concern about continuing national support for local programmes reflects the major role still played by national government in local projects, despite decentralisation. National agencies are direct partners in contracts which are agreed between cities, departments and regions to tackle local problems. There is a level of interest and involvement which partly reflects the high level of financial investment, but also serves to ensure a level of common implementation of the national policy framework for renewal and tackling deprivation.
18. Continuing support for economic and infrastructural investment programmes is also an issue. Many of the initiatives outlined above – for example, the clusters programme (€1.5bn in the last 3 years); improvements to public transport networks (€3bn in the last three years); and the Grenelle[94] agenda (projected €450bn till 2050) are supported by direct government funding which may not be large in proportion to overall national expenditure but are significant at a local level both in providing ringfenced funding and in catalysing collective action.

Summary

19. During the 2008-09 recession the cities suffered increased unemployment, similarly to the rest of the country. During that period industrial jobs continued to decrease as a proportion of the total jobs market, following a pattern of decline seen in the cities over 40 years ago. There are indications that there was a slight recovery during 2010, although the impact of the current downturn is likely to be seen in employment figures for the current period and immediate future.
20. The level of debt in the cities of Lille and Metz are very low. Saint-Étienne moved from an investment approach driven by the previous mayor which used a range of financial products to support major building projects, to a more fiscally conservative approach by the current mayor. However, the wider Lille metropolitan body has a high level of debt (over €1,400 per resident). In overall terms, however, current figures from both the French audit body the Cour des Comptes and from OECD suggest that the level of debt held by local public bodies is at a manageable level. ***
21. At the national level the picture is very different – debt levels are over 80% of GDP, and the deficit exceeded 7% of GDP in 2009 and 2010. France has very high levels of public

[93] Local policy manger, Saint-Étienne City
[94] French climate change law – see Box 10

expenditure – exceeded only by some Nordic countries – and has taken steps in 2011 to directly address and reduce these levels of debt and deficit. This will almost certainly have an impact on the level of funding and support for programmes around city renewal action, although the main question is how this will be realised and what changes will be made. For this reason some local officials expressed concern about what will happen next and see progress as partial and still vulnerable to reversal.

Chapter Nine: Concluding Thoughts

City image and resident confidence

1. The city image is central to recovery. The cities all have a clear focus on creating a fresh new 'brand' different from their previous negative industrial persona. This includes physical redevelopment of core parts of the city, improvements to shops, parks, transport networks, and crucially engagement with wider cultural and presentational activities to sell the city as a forward looking and great place to live. But there are signs of tensions with existing residents who feel that the investment to bring new business and new types of workers and families may be at the cost of ignoring the needs of the traditional groups and communities. This is despite considerable efforts (for example in Lille and Saint-Étienne) to include existing residents in planning and renewal activities. But in Lille it was suggested that "*in France, people don't value working class culture like they do in, for example, England*"[95] and therefore it can be more difficult to integrate new residents to existing values and culture. This is also shown in concerns expressed that many of the residents had a negative self-image of their communities and their cities.
2. There are conflicting pressures around sprawl, particularly in Lille and Saint-Étienne, where there are tensions between avoiding unplanned urban sprawl and the preference of some new businesses and residents for greenfield development. This has to be managed within the objective of planned and dense city redevelopment. People have to want to live and work in the city, not simply be part of an anonymous suburban sprawl.
3. In the current resource constrained economy, it will become increasingly important to persuade businesses and families to live and work in more centralised and denser developments. There is exemplary work being done in the cities to address image, local infrastructure, the importance of local neighbourhoods where shops and facilities are easily accessible by walking or cycling. Their focus on culture can be misunderstood to refer to the emblematic major galleries or events – but engaging residents in cultural activities in the widest sense, as well as local leisure and sporting activities, are essential to re-creating local neighbourhood and family structures. In this respect the cities are testing and delivering some essential and excellent approaches.

New jobs and enterprises

4. Economic clusters are important, but not everyone benefits. There are many initiatives to develop new clusters of innovation and new industry, often linked to the green agenda, creating opportunities for new and higher skilled workers to come to the city, but not

[95] Lille policy advisor

always providing jobs and opportunities to existing residents. The evidence of a continuing and growing gap between the worst neighbourhoods and the rest of the cities, in terms of jobs and skills, suggests that further action is needed.

5. This problem is acerbated as traditional industrial jobs continue to disappear, often moving to other parts of the world outside Europe.
6. A wider range of small businesses need to thrive and the resource constrained economy could provide a response to this issue. The need to develop new labour-intensive industries around local building insulation, local energy production, public and low energy transportation and related areas has the potential to provide new jobs. This would include lower skilled jobs which could be available to residents of more disadvantaged neighbourhoods.
7. There may also be a need to revise the approach to local jobs development and enterprise. This report sets out the huge number of service businesses which are created in the cities. As well as looking at high tech developments, cities should also be addressing what types of local and self-starting commercial and service jobs might be created to help support community life in renewed and denser cities. It is clear from the numbers of new businesses and their nature, that they already represent a large section of the new jobs market. Benefits could be gained from an extended overview on a wider range of such businesses, rather than concentrating on high tech industries and the green sector.

The continuing role of the central state

8. The central state is a benign and omnipresent partner. Despite the decentralised nature of the French system of governance, it is apparent that the state centrally (and regionally) still holds considerable sway over how cities deal with their development. Many of the tools used – such as the SCOT[96] land planning framework – are national mandated. Rehabilitation programmes in disadvantaged estates are funded through the national ANRU[97] programme, and monitoring of deprivation is through the national observatory. Clusters and competition centres, and other economic grants, are managed through central competitions on a national level. This partnership model is used at all levels but provides a clear and continuing role for the state centrally to intervene and influence.
9. This creates a complex web of partners with whom agreement must be reached over major developments, but also brings in a wide range of perspectives and views across the department, region, and wider public and private sector. We heard few major issues

[96] Schema de Cohérence Territoriale
[97] L'Agence Nationale pour la Rénovation Urbaine / National City Renovation Agency

raised about this approach to partnership with state agencies, which may be because it had become so entrenched. The main issue was the presence of a state appointed public-private development agency in Saint-Étienne (EPASE[98]) to drive through the works, which had initially faced local opposition, but is now more accepted in the light of progress made. Nevertheless the uneasy balance of central and local control does work reasonably effectively.

The high impact of neighbourhood renewal works

10. Neighbourhood renewal work needs to continue. There is clearly a positive impact from renovation and renewal programmes on the quality of life on the poorest estates and neighbourhoods. The provision of long term contracts provides a level of stability and continuity. There is considerable evidence of a well-rounded package dealing with a range of needs – housing improvements, jobs and training opportunities, new commercial and public service developments, environmental works and green initiatives. There are also excellent engagement programmes with residents, around planning and delivery of work, as well as including rehousing which is a major element of demolition and new build projects. Unemployment and low skills remain stubbornly present, and are a matter of concern, but this should not undermine the successes of the renovation and renewal programmes. Improvement of quality of life and the environment is a necessary step to addressing deprivation and exclusion, and the impact on employment is subject to wider externalities.
11. That said, it is very likely that problems on estates, which led to riots in past years, have been mitigated rather than permanently resolved. Conditions have improved but not everywhere, and we were told the improvements were ‘fragile’ and could unravel quite quickly if conditions deteriorated. Uncertainties remain around the continuation of large scale improvement works in this current period of resource constraint. This is a considerable challenge which will become increasingly pressing as the extent of the fiscal retrenchment becomes known.
12. There does not appear to be any immediate crisis due to local authority debt. Nevertheless the main and severe problem will be the lack of availability of central funding, and other low cost loans or private investment.

Economic innovation

13. The development of new and innovative technologies and industries is a feature of each city. This crucially involves working with both universities and research bodies, who can

[98] Etablissement Public d'Aménagement de Saint-Étienne

provide technical and intellectual support, and also with funding and business development institutions that can help to develop and market products. This is seen in examples such as Eurotechnologie in Lille, who work through co-location of large and small firms to permit cross fertilisation of business practices and innovative ideas and approaches. Innovation in each of the cities has had clear links to the industrial history of the area, and drawn on a tradition of knowledge and understanding of those previous sectors.

14. Economic innovation and the spread of ideas and new products (particularly green products) can be stimulated by wide ranging exchanges within France but also across national borders with other European and international institutions pursuing similar research and development. Each city has begun to develop these types of wider links and exchanges, through international organisations and bodies for the exchange of ideas and learning. Metz is particularly strongly linked with German investors, and Lille with Belgium counterparts.

Delivering the Green Agenda

15. Green investment may be key to stimulating the resource constrained economy, creating a new set of small businesses that will deliver the needed climate change adaptions in key areas of building insulation, transport, waste disposal, recycling water treatment, energy production, and related areas. This could create a large new market, new skills and jobs, in a virtuous circle.
16. The risks here are many, not least that some of the climate change targets may be allowed to slip due to fiscal constraints; that the regulations and standards put in place are inadequate to drive the necessary level of carbon reductions and consequently levels of investment; that consumers, businesses and landlords may not respond to the requirement to take action and demand is weak; and that the necessary new technologies to deliver carbon reductions may not be developed quickly enough and at a price that is both affordable to consumers and sufficient to make eco-businesses profitable and self-sustaining.
17. There are also significant questions around the needed subsidies for low income owners who cannot afford retrofit work; and around how to incentivise landlords (both social and private) to undertake the work without imposing unacceptable rent rises on their tenants. These issues need to be urgently addressed.
18. City governments are crucial in terms of coordinating local action. This includes assessing the problems; co-ordinating partners to provide an offer to local residents and businesses; preparing and implementing plans for priority action; providing consumer advice and support, and monitoring and regulating local firms to enforce standards;

engaging local neighbourhoods and people to understand the issues and how they can engage; stimulating skills training and employment opportunities particularly for local residents; and providing various forms of local funding. As set out above, the cities here are beginning to grapple with these issues, and some have made considerable progress. But this is clearly a crucial area for further development

Political direction

19. Leadership has been crucial. Progress in each city reflects the high level of political drive and vision from mayors and elected members in the cities. Lille in particular is very active in its approach to 'a new art of city living' with a high level of commitment to addressing the green agenda. It also is very articulate in setting out its approach, through plans, strategies, brochures and meetings. This is a very inclusive approach which seeks to engage residents and elected representatives. There is also a significant range of studies of the Lille approach to city renewal and its progress.
20. Cooperation with neighbouring authorities is good. Politically each city has chosen a high level of active engagement with sub-regional bodies at different levels up to the international level, which is essential in building economic weight and pan-European presence sufficient to attract investment. It also allows more strategic planning of services such as public transport, waste, housing and commercial development.
21. Local staff are committed. It is evident from discussions and meetings that officers have high levels of commitment and professional competence to support the development and delivery of renewal and transformational actions. As part of this, each city is good at negotiating and competing for public funds, which are essential skills in rebuilding a city - for example for the competition clusters programmes, ANRU[99] rehabilitation funding, or for new public transport projects.
22. The cities enjoyed a high quality of political governance and professional management, which are crucial to delivering changes of the scale and complexity needed. It was evident that there were political and geographic tensions between local communities, but equally that there was a shared determination in the metropolitan and sub-regional areas to work together. This is essential for progress.

[99] L'Agence Nationale pour la Rénovation Urbaine / National City Renovation Agency

Part Three: City Profiles

Quick guide to city reform
> Lille

Industrial Growth

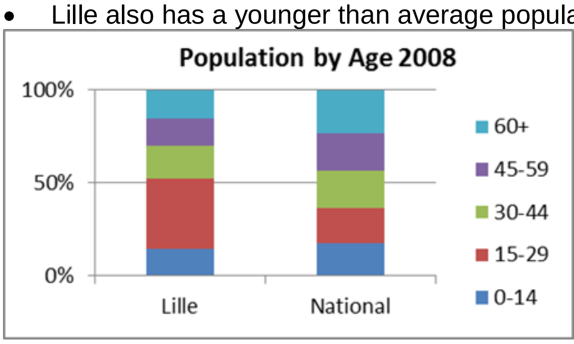
- A centre of textile production since the C11th, Lille grew during the industrial revolution due to local capital and an abundance of labour coming primarily from Flanders.
- There were large regional reserves of coal in the southern basin, and metalworking and steel works in the nearby Belgian centres like Charleroi.
- This was also supported by the improved canal system linking Lille to Flanders, Ghent, Antwerp and other northern hubs, continuing Lille's a thriving market and commercial centre, and also supporting the other major industry of agriculture.
- Lille was in 1929 a world leader in textile manufacture and in 1954 was still one of the leading industrial cities of France.

Crisis

- Between 1967-92, the number of industrial jobs dropped by 47% in the Nord-Pas de Calais region (of which Lille is the principal city) against 18% nationally.
- Some of this decline was rapid, particularly in the textile industry, where an estimated 130,000 jobs were lost between 1945 and 1996.
- Similar losses occurred in the agricultural sector (164,000 lost), the mining sector (90,000 lost), the chemical industry (8,000 lost) and the metalworking industry (7,000 lost) – around 400k jobs in total.

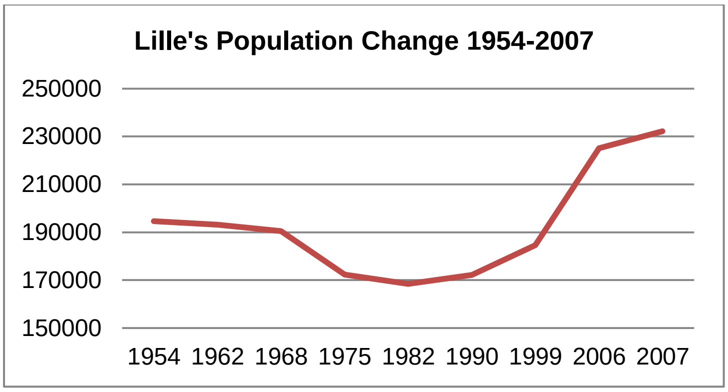
Demographic shock

- Between 1954 and 1968, Lille lost over 13% of its population. This trend has been reversed and the city continues to grow, but less than the national average.
- Lille also has a younger than average population



Key dates in Lille's History

~ 1000: first documented mention of the city of L'Isla, later l'Isle en Flandres, from which the name of the city derives
1384: Lille a Burgundian centre of commerce &textile production
1668: Treaty of Aix-la-Chapelle makes Lille part of France
1846: Inauguration of the Lille-Paris rail line
1850-1901: Industrialisation and growth - population grows 76,000 to 210,000
1896: First socialist mayor elected, Gustave Delory
1914-1918: German occupation WWI. Lille suffers greatly from this war, with most of its industry destroyed`
1928: First mail order catalogue from La Redoute, to stimulate flagging market. Mail order still strong today
1929: American crash hits Lille hard, recession + unemployment
1939: Lille second biggest industrial region in France
1940-1944: German occupation
1954: Peak of industrial period: Lille has 11% of French industry, 53% of its coalmines, 27% of its textiles, 18% of its steel industry
1964: Métropoles d'Equilibres strategy, moving economic balance from Paris
1967: Creation of the LMCU (Lille Métropole Communauté Urbaine)
1983: Inauguration of the first VAL (Véhicule Automatique Léger) metro line - the first automated subway line in the world
1994: Inauguration of the 'Chunnel' and Lille-Europe train station
1995: Lille chosen as France's bid to host the 2004 Olympics. It doesn't win, but it sets in motion investment to improve the city's image
2001: Martine Aubry elected Mayor of Lille
2004: Lille European capital of culture



Housing: Old stock, voids and low ownership

- Almost 44% of Lille's housing was constructed before 1949, which is almost half as much again as the national average.
- Thirteen% of homes were empty in 1999, though by 2008 that had reduced to 6.6%.
- In 1999 8.8% of homes still lacked a bath or shower, which had reduced to 4.8% by 2008.
- There is a low proportion of owner occupiers (27.5%) compared to a national average of 57.5% (2008 figures) – this has declined very slightly since 1999.

Lille's old centre

Recovery

Eurostar Station and Renewal Area

- In 1987 Pierre Mauroy got agreement that Eurostar will stop at Lille paving way for Euralille project (now in its third phase and 21st year) intended eventually to provide over a million m2 of offices, new homes for 4,000 people, 600 hotel rooms, rail terminals for 23 million passengers a year, and 470 serviced housing units, and is intended by total to create over one million m2 of mixed office, commercial and residential provision.

Local Joint Working

- Since the creation of the Lille Metropolitan Urban Community (LMCU) in1966 (2010 population of 1,115,000) Lille has been cooperating with local cities around economic development, spatial planning, public transportation systems including the first driverless Métro, and the development of its image and culture.
- This was expanded more widely and across the Belgian frontier with Lille-Kortrijk-Tournai "Eurométropole" which was formed in 2008. The Métropole includes 2.032 million people and is Europe's largest uninterrupted cross-border conurbation covering an area of 3,544km2.

Restored Industrial Site - Euratechnologies

Recovery Timeline

-60s "Métropoles d'équilibre" national programme makes Lille sub-region **priority investment** area
- 70s "Lille East" **new town** focusing on scientific industries – though it sucks industry from Lille
- 80s **Eurostar** plans put Lille in centre of Paris/ London/ Dutch/ N. German trading area
-90s "Euralille" project builds on rail links – office and commercial development in **Lille centre**; described as "*temple to the tertiary"*
-90s *Ville renouvelée* launches 5 more **flagship** project and competition clusters
2004 Lille is European **City of Culture**
1997-2007 **increase of 48k jobs** – mainly in tertiary sector
2006-2009 **house prices** up 90% (though hit by downturn and increasing moves to commute from Belgium)

Two views on the Euralille Development

Flagship Projects

Eurasanté Park: development site for companies and research laboratories specialising in health fields.
Haute-Borne Technology Park: Hi-tech enterprises and research laboratories. Linked to Lille 1 University, CNRS and IRCICA (advanced ICT research institute).
Zone de l'Union: Eco-neighbourhood to provide 4,000 jobs and housing for 3,000 residents on a previous industrial site of 80 hectares. Two centres of excellence: on image, culture and media, and on innovative textiles.
Euratechnologies: a refurbished industrial site and building hosting new enterprises in new information and communication technologies – 150 firms , employing some 1,500 people. Compared to an average 50% start up attrition rate in 5 years [1] with the type of support provided on the Euratechnologies site this drops to 20%.
Competition Clusters:
I-trans Innovative ground transport systems, building on the 1983 Siemens first automatic light railway system (the Lille metro) and now comprising 40% of the national railway construction business, 100 firms, 10,000 jobs, €5.3 annual turnover, 17% of French exports and 400 researchers in 12 laboratories
NSL (nutrition, health, longevity) - agri-food and health ingredients, health and biotechnology including a unique specialist blood centre. Turnover of €6.5bn and a research budget of €171 to employ 500 researchers in 21 public and 35 private research teams
Uptex – advanced textiles and materials.Home to ENSAIT in Roubaix which trains 80% of French textile industry engineers, and its CETI (European centre for innovative textiles) shares this research portfolio similar textile centres in Ghent. It has a €5bn turnover, and supports 15% of the French textile industry workforce.
PICOM supports 219 distance selling companies, who hold 66% of the national turnover and 20,000 (70%) of French jobs in this industry, Trialing new distribution concepts including sustainable DIY, arts and crafts, and food. Also 44,000 other jobs in the retail sector and in total a turnover of €65bn.
MAUD and TEAM Environmental innovation – MAUD deals with new materials and their uses in the search for lower carbon production, particularly around packaging, and graphic industries; TEAM[2] deals with waste management and recycling, Includes the only centre of ground and site depollution in France, and holds 14% of the French market; overall it supports 9,500 workers and 270 businesses.

Renewal Strategic Planning and Consultation

- Lille lays claim to be an originator of the idea of "*renewing the city"* with dense, mixed re-use of the city infrastructure.
- This is set out in a series of plans which have been widely consulted on over more than 15 years, including more the original Eurolille 1, 2 and 3 proposals, and more recently the 2005 "New *art of the city*", 2008 "Living together in our Euro-Metropolis" and 2010 "Lille 3000"

Housing and Deprivation

- Lille was part of the original 1984-8 (DSQ) Neighbourhood Improvement programme
- In 2000 won funding for 5 neighbourhoods through the national *Grands Projets de Ville*
- Current programme provides €482m of deprived neighbourhoods funding (CUCS) through the National Agency for Urban Renewal (ANRU) to provide 3,400 new homes, of which 1,100 are to be social housing (replacing 750 homes demolished) ; 900 private rented, and 560 for owner occupation; internal improvement for 4,500 further homes; and a further 400 new homes and 900 renovated homes for the private sector

Improved housing & environment in Lille Sud estate

(Photo: LMCU)

Renewal and Culture

- City planning and renewal works organised around the principles of:- density and mix; quality and urban culture; and sustainable development
- Extensive local consultation, engagement with improvement works, and local training and employment as part of re-development
- Lille European City of Culture 2004; continues cultural and image building work including through regular events and local cultural centres (*Maisons Folies)*.
- Continuing programme of restoration of previous industrial inner city area of Saint Sauveur as mixed cultural/commercial/business area

Green Initiatives

- New overarching Agenda 21 plan 2010-1014 for sustainable development and "eco neighbourhoods"
- The region totals more than 800 eco-companies, of which 40% in Lille Metropole
- 'Excellence Pole' for site and soil decontamination - unparalleled in France
- CD2E (Création Développement d'Eco-Entreprises): a specific subsidy tailored to the development of eco-companies
- Triselec : social and technological model in the field of sorting plants (90,000 metric tons of material sorted per year)
- CVO (Centre de Valorisation Organique / Organic Upgrading Centre): the CVO processes 108,000 metric tons of waste per year & supplies biogas for 150 buses operating in the metropolitan area.
- Energy Upgrading Centre ANTARES : processing capacity of 350,000 metric tons per year to produce 185 GWh of electricity per year
- Renewed efforts to engage business/residents

Impacts/Change

Economy

- Service sector, which was always strong in Lille, continues to grow with top employers in the city in the banking and insurance sectors. In the wider LMCU. Now 57% tertiary employment, 9% industrial.
- But 2008-9 downturn forced unemployment up again – Q4 of 2010 Lille was 11.1%, Roubaix / Tourcoing (other LMCU) was14.7 (France 9. 8%)

Redevelopment

- Now extensive public transport service system in place with 2 driverless metro lines, two tram lines, and extensive fast buses
- Policy to force inner city redevelopment producing mixed results – mixed demand for inner city offices
- Extensive restoration to city centre and growing tourist trade –including over 300 new hotel rooms since 2007

Ex-industrial Saint-Sauver central area with cultural/mixed use

(Photo: LMCU)

Tackling Disadvantage

- Considerable progress in delivering several waves of improvement works to estates and city centre traditional housing.
- Extensive programmes of consultation, skills training, work training, support with skills and enterprise, educational training in worst neighbourhoods
- Continuing problems – 18.6% of residents in neighbourhoods officially classed as deprived (cf average of 11.8 in comparable cities); 40% of residents within improvement areas.
- Continuing problems with high level of young people not in work, and low skilled
- Continuing widening of the gap between worst neighbourhoods and rest in terms of employment and skills development

Summary

- Strong growth of tertiary and new businesses associated with clusters and flagships
- Population growing slowly and image improving
- Clearly articulated and widely consulted and supported strategy to develop "dense" mixed city.
- Increasing focus and action around green economy and climate change actions
- Continuing problems for youth and ex-industrial workers in finding work, particularly in LMCU
- Excellent and growing local partnerships

Quick guide to city reform
> Metz

Crisis

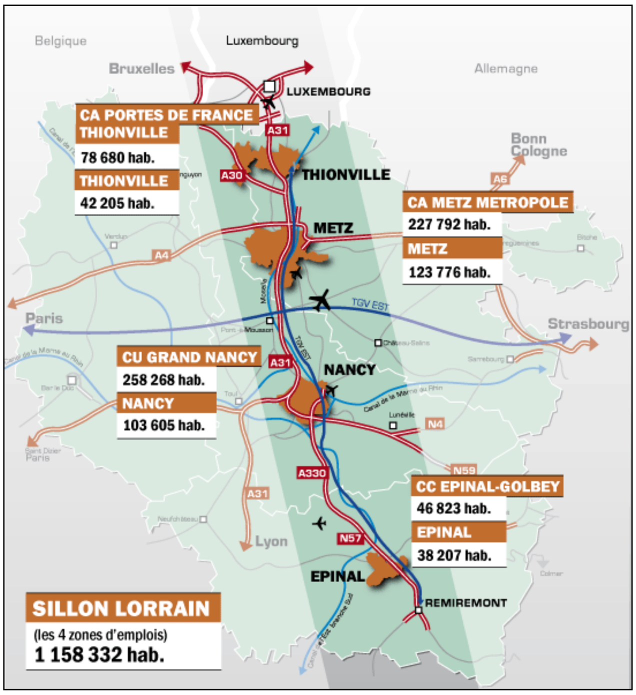
Economic shock

- 23,000 jobs lost in iron mining 1960-85;
- 130,000 metalurgy jobs between 1970-2003 (76% in this industry)
- Currently losing role as major military base, with 6,000+ direct job losses

Demographics

- Population growing very slowly over last 30 years
- Higher level of younger (under 29), and lower over 60 population than national average
- More than average low or no educational qualifications, but higher level of tertiary

Metz in its local Lorraine Context



(Source: Sillon Lorrain 2010)

Housing

- Considerably smaller ownership sector (about a fifth) and larger social housing sector than nationally.
- Peak of social housing building in 60s and 70s
- 8% void properties in 2008, up 1% since 1999
- Badly affected by urban sprawl along North-South main regional axis
- Significant numbers (100,000) of German, Belgian, and Luxembourg cross border workers in Metz region

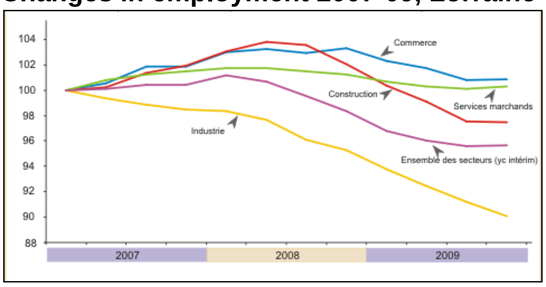
Key Dates in Metz's History

843: Becomes capital of Lotharingia
925: Becomes part of (German) Holy Roman Empire
1648: Metz becomes French following the conclusion of the Peace of Westphalia
C18th: Metz develops as an important garrison town, heavily fortified.
Early C19th: Metz producing woollen goods, linen, china, paper, and gunpowder
1852: Arrival of the railway
1859: Construction of the Arsenal, part of the extensive and long term military presence
1870: Metz was producing half the national production of iron
1871: Metz becomes part of Germany through the Treaty of Frankfurt. Large scale remodelling of the city to build new avenues, a central station, large public buildings, and demolish ramparts
1871: Metz becomes capital of Reichsland Alsace-Lorraine. 11,000 people move to French areas including neighbouring Nancy, and Metz. Metz declines from double the size of Nancy to half.
1887: Discovery and local use of Thomas-Gilchrist technique which increases the productivity of a unit or iron ore.
1894-1909: Metz has 58,000 residents, compared to 110,000 in Nancy
1919: Metz returned to France
1940: Metz occupied by Nazi Germany
1944: Metz returned to France
1948: Major Marshall Plan investment
1960: Industrial production peaks – 25% of national coal production, 90% of iron mining, 70% of steel production, 25% of textiles.

The German Gate – but Metz long role as a garrison town is ending

Continuing Loss of Industrial Jobs

Changes in employment 2007-09, Lorraine

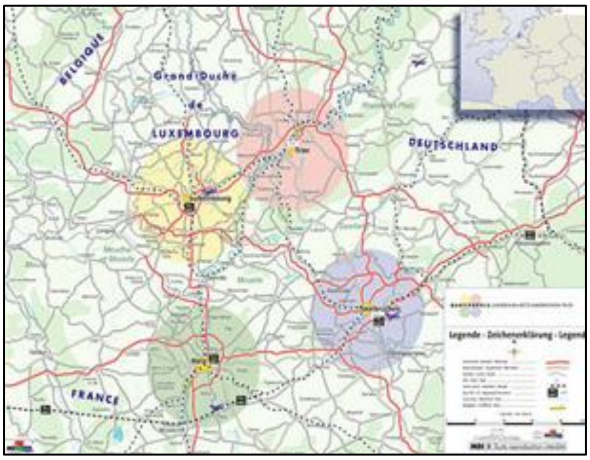


(Source: Insee, 2011)

Recovery

- 1984 “industrial reconversion” stimulated new industries – automobile, agriculture and food, logistics, materials
- 2000 “Quattro Pole” group of four cross border cities of Luxembourg, Metz, and the German towns of Sarrebruck and Trèves established to build one economic virtual city area, with sharing of services and upgraded communications links.
- Since 2002, and extended in 2009, Metz Métropole (CA2M) authority of 40 local communes working together on planning and services.

Quattro Pole” 4 Cities



Culture and Image

Development of the cultural offer:

- Pompidou Centre for Contemporary Art – iconic building in Amphitheatre renewal area
- New 2,200m^2 music performance and activity centre “*Salle de musiques actuelles”* in the Metz-Borny re-development neighbourhood
- Existing arts and cultural centres including over 100 historic buildings in its centre, as well as the Arsenal concert hall, 15 museums, the national choreography centre, and the National Opera of Lorraine,

‘Twelve Projects’ city renewal plan including:

- Major improvements to public transport including rapid bus lines
- An eco-neighbourhood and “garden village” with 1,600 new homes south of the central area
- Re-design and linking of disadvantaged Metz-Borny area to integrate better to city centre
- Improvements to central Place de la Republique

Rennovated Place de la République

(Photo: Ville de Metz)

Flagship Projects

Quartier de l’Amphithéâtre 50ha development of housing and offices. The 1st phase – lasting 2 years from Dec. 2010 onwards - includes 1,000 m2 of commercial development, 10,000m2 of housing, and 16,000m2 of offices. A new congress centre and cultural centre (médiathèque) will be built. Developed under the ZAC (Zone d’aménagement concertée) national framework.

Mont Saint Quentin A « green lung » for the CA2M, since 2005 re-developed and dedicated to ecological conservation, green tourism, and educational uses. Used to combat social inclusion, engaging with and hiring locally socially excluded people

Materials: Development of new materials,and green materials. Metz chosen by French government for a material-oriented economic cluster (Materalia), and then by the creation in 2011 of the Institute for Research in Metals, Materials, and Processes, to be the leading centre of materials research in the “Grenelle” framework context for addressing climate change targets.

Logistics :Metz plays a key role in the national and international transportation and communication networks. In June 2009, the International Logistic Centre was launched in order to reinforce the dedicated higher education potential of the schools and universities in Metz (ENIM for instance).

Real estate In January 2010 the European Academy of Real Estate opened, in which local universities and the Chamber of Commerce play an important role. The objective is to create a wide range of diplomas and training courses in real estate management and development.

Environment Since 1972 and the creation of the European Institute of Ecology, Metz has always had a pioneering role in environmental protection research and development. Metz-Métropole is willing to become exemplar in the implementation of sustainability. The flagship development of such approach is embodied by the project « EcoCité 128 », a 350ha-wide reconversion of a military site.

Health A major health development is planned in the CHR de Mercy (Regional Healthcare Centre). The cluster will be centred within a 58ha-wide area and specialise in disability and dependency treatment.

River port of Metz-La Maxe is to be built on 12 hectares of a peninsula on the Moselle, to stimulate greater water transport of containerised goods. This will also link into the North Sea ports and canals, as well as linking to the southern water transport systems and the River Saône.

Green Industries : new projects such as ULCOS in Florange (Ultra Low CO2 Steel Making) or the GDF SUEZ –Total project to start a solar energy plant near Saint-Avold

Housing and Deprivation

- 8.6% of Metz citizens are in neighbourhoods officially classed as deprived (ZUS) and 11.2% are in neighbourhoods benefiting from CUCS contracts.
- Improvements include €60m programme of improvement of 3,000 homes in five priority areas – 45% of Metz low income households live in these areas
- Dip in employment in 90s had recovered by 2006, although in deprived areas showing with greater increase in female than male employment, and higher improvements in skills for women than men
- Major increase in regional unemployment in 2010 (to over 10%, reducing in 2011)

Proposed new high environmental quality housing in ZAC du Sansonnet, Metz

Green Agenda: Metz: Agenda 21 Actions

- **Housing and Urban Infrastructure**: Development of new eco-neighbourhoods; construction of high quality environmental new housing including surface water networks and cycle routes
- **Transport**: New bus routes and less polluting buses; 20kph and 30kph reduced speed zones, and better cycle route links between the centre and neighbourhoods
- **Energy**: Programme of works for public buildings including the City Technical Centre and Lothaire Swimming Pool saving 79 tonnes of CO2 a year, as initial projects
- **Biodiversity and resources**: Water mains repairs saving 1 billion litres per year; restoration work to 50% of green embankments and streams
- **Social Actions**: "Growing old together" certification involving older people in the green agenda.
- **New Agenda 21** and Climate plan to be in place by the end of 2011

Impacts/Change

- **Economic transition** from a single-industry to a more diversified declining industrial base: developing and diversifying the industrial know-how (mechanics and material particularly), technology transfer to SMEs
- **Fighting the brain drain** : reinforcing the link with Luxemburg to offer new career perspectives (finance, consultancy and other high added-value services).
- **Image:** gaining more presence as part of the Sillon Lorrain and Quattro Pole areas. Developing shared identity with these groups
- **Transborder policy**: Metz is looking towards Luxemburg and Germany as a source of growth, and enabling easier cross-border movements of workers and tourists. Also creating a shared multi-modal transportation interconnections e.g. improving the connection between Metz' port and Luxemburg's port .
- **Education:** Creation of the University of Lorraine (2012) to create synergies and have a single, and therefore easily understood offer.
- **Health:** The biggest challenge is meeting an increasing demand for health services of good quality. The Mercy Cluster in Metz: developing an economy around health services and industries. Continuing issue is shortage of skilled workers
- **Information & Communication Technologies**: Developing optic fibre linkages between the main cities, esp. between Metz and Nancy. Public investment to develop 'public' IT servers (can then be used by SME's as the initial investment would have been deterrent). Increasing the continuity of the wi-fi services, esp. along the transportations axes
- **Tourism:** River tourism from Luxemburg to Epinal. Metz is promoting museums like the Pompidou Museum, and culture venues such as Lorraine Opera

Nationally recognised new green materials industry

Summary

Diversifying economy and positive international image being developed around several new areas including green materials and technologies

Quick guide to city reform
> Saint-Étienne

Important Dates in Saint-Étienne's History

1300s	Became a centre for metal-work
1746	Royal Arms Factory founded
1816	School of Mines (*École des Mines*) founded to train mining engineers
1823	France's first rail line built between St-Étienne and Andrézieux for coal transport
1830	First sewing machine invented in St-Étienne
1855	Becomes capital of the Loire *département*
1857	School of Fine Art (*Ecole des Beaux Arts*) founded
1881	St Étienne's first tram opened
1885	Manufrance (*Manufacture Française d'Armes & de Cycles*) founded
1898	Casino supermarket business founded
1946	All coal mines nationalised
1961	National College of Engineers (*École Nationale des Ingénieurs*) founded
1969	First local university (*Université Jean Monnet*) founded
1983	Last mines close
1985	Manfrance closes

Year	Population
1515	3,700
1734	17,000
1826	45,000
1880	110,000
1901	146,000
1968	223,223

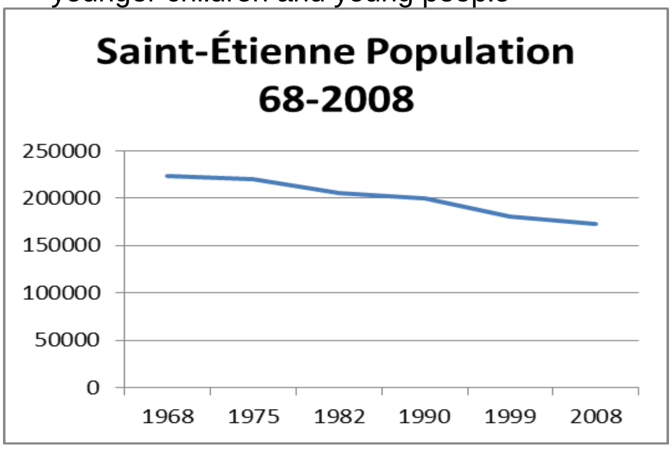
Crisis

1973-83: Economic shock

- Saint-Étienne's economy was based on three core industries: textile, coal and steel (linked with the production of weapons and bicycles for which the city is famed).
- These industries were hit by the oil shock of 1973 and the onset of global competition.
- The city's economy consisted of a group of large industrial firms, and a dense fabric of local small and medium-sized enterprises (SMEs) which supplied them. Despite significant State and municipal aid these large firms had all but collapsed by the 1980s. In 15 years (1975-1990), the city lost around 25,000 (45%) of its industrial jobs.

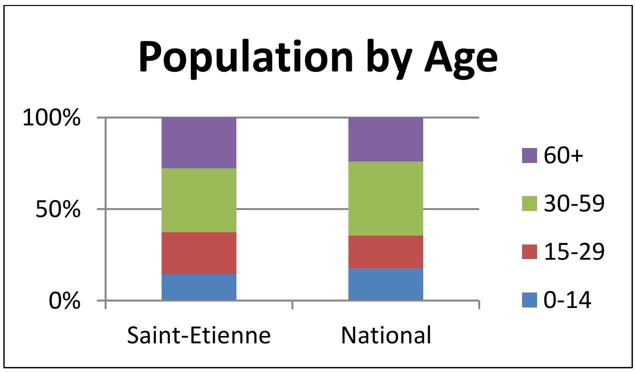
Demographic shock

- Between 1975 and 2008, Saint-Étienne lost almost 20% of its inhabitants; most were middle-class households moving out to the suburbs. This trend continues
- There has resulted in a large population of older people than the national average, and fewer younger children and young people



Flagging property market, deteriorating housing

- Property prices plunged and private housing in the city-centre deteriorated along with the social housing around the city's periphery. In 1999, 11.2% of homes were vacant. 10.4 in 2008, and in 2008 there were around a quarter fewer owner occupiers than the national average.



Recovery

Action on employment: 1983-1999

- Initially, municipal action to combat the decline focused entirely on job retention.
- The local government implemented a two-pronged strategy: a 'real estate policy' and indirect support for businesses.
- The real estate policy involved the provision of attractive sites on which firms could locate. Acquiring and rehabilitating industrial brownfields, creating new business parks and industrial zones paralleled regeneration of the city centre
- Grants to support the development of new SMEs ran alongside large training programmes to improve the skills of existing workers and the unemployed. Numerous State-sponsored initiatives helped this effort.

Intercommunal harmonisation of business tax

- Until 2000 each commune in Saint-Étienne's metropolitan area set their own business tax (*taxe professionelle*). This resulted in local municipalities competing with their neighbours to attract businesses, which prevented a coherent economic development approach for the region. In 2000, the *Loi Chevènement* facilitated tax harmonisation.

Working together with neighbouring areas

- In 2003, 43 communes united to form the Saint-Étienne 'agglomeration community', with its managing body *Saint-Étienne Métropole*. Economic development, housing and transport were then devolved to this body. This is leading to a more responsive, coordinated recovery strategy for the metropolitan area.
- Strengthening links with Lyon has been important in positioning St Étienne and helping its recovery. This has been formalised in the "G4" Eurométropole which has the priorities of economic and international development; research and innovation; culture; and sustainable planning and transportation

Eurométropole (G4) Area

Recovery Timeline

1998	State 'land agency' EPORA is founded
1998	City hosts its first 'Design Biennale'
1999	Centre-right Mayor Michel Thiollière re-elected with large majority
2003	Saint-Étienne Métropolitan body expands to 43 comunes – better intercomunal planning
2007	New Mayor, Michael Vincent, takes over
2005	EPASE improvement agency in place to deliver €333m of improvements till 2012
2009	"Eurométrople" four city agreement with Lyon Porte d'Isère (then Vienne) signed (the "G4")

200 seat Zenith Stadium designed by Norman New 7, Forster

Residential appeal: 1999-present

- In 1999, the census revealed that Saint-Étienne had lost 10% of her population in a decade. Municipal leaders realised that their targeted employment strategy insufficient.
- The city's mayor championed a shift towards image change, aiming to make the city a more desirable place to live and work. Continued, but with more community focus and lower debts, but new mayor.
- The three interconnected themes, primarily expressed through physical renewal, are:
  - Housing & Public Spaces,
  - Culture & Infrastructure,
  - Economic transformation.

Saint-Étienne's Heart of the City Project

- Increase of city centre pedestrianized area to 75,000m2
- Development of 50km of cycle routes and hire bikes
- New bus routes through the centre
- Simplification of car routes into and out of the centre
- Redevelopment of the central Jacquard neighbourhood, with cafés, green spaces and walks, children's play areas, a market, a sports, cultural and administrative centre

Economic transformation

- A dedicated State-funded 'land agency', EPORA, was founded in 1998 to transform brown fields. EPORA buys up derelict industrial plots, rehabilitates them, and sells them off to the local government (at a discount) or the highest private bidder.
- The cluster strategy builds on existing expertise in optics technology, medical technology, mechanics.

St Etienne Recovery Initiatives

Flagship Projects:

Chateaucreux Business District: Centred on the railway station. Casino HQ for 2,500 staff, National CESU employment voucher centre, 27,000m^2 new office space, 120 bed hotel, and 16,000m^2 ground floor shops, services, and offices. Housing now to be built by national homes developer Bouygyes Immobillier,
Manufacture-Plain Achille: Reconversion of the old arms factory on 100 ha site near motorway and railway station. Includes Design Village University science faculty, Graduate school of optical science and engineering , High Technology Centre, the new iconic Zénith stadium, Telecom Saint-Étiennes
Métrotech: New tertiary out of town technology park, with conference centre, shops, exhibition and meeting spaces, 30,000m^2 of flexible buildings

Knowledge and competition clusters:

Medical Technology Cluster: particularly implants, medical and sporting textiles, and biotechnology. 60 companies, 2,000 jobs, 250 researchers, €230m turnover, 60% of production of medial textiles and related products
Rhone Alps Optical Cluster: includes 10 universities, 30 laboratories, 1,500 researchers, 4,000 engineers and technicians.
Loire Numeric: IT joint projects and innovations – 4,400 jobs, €400m turnover, 486 companies
Food Industry Cluster: Professional association linking framers, industrial companies, equipment manufacturers and distributers. 7,400 jobs in food, 9,000 in agriculture, 30% of Rhone-Alpes beef production, and leading milk producer
International Resource and Innovation centre for Sustainable Development: 150 partners, 3,500 jobs
Viameca: Engineering & Industrial Design: 1,300 regional companies, 27,000 jobs, €3bn turnover
Techtera: Materials, textiles, and chemicals. 450 companies, 9,200 jobs, €620m turnover, 60% of national technical textiles production
Sportaltec: Sports and leisure technology, around implants, and bone tissue. 5,000 jobs €3m
Minalogic: 100 companies, 22,900 jobs, €3bn turnover

The 'Design City' cluster site (architect's impression)

Culture & Infrastructure

- Transport projects include a second tram line, opening in 2006, linking the central station (where a new business district is being developed) to the city centre; and a new 12km rapid bus route.
- The Design Village includes exhibition space and part of the advanced School of Art and Design The Biennial International Design Festival attracted around 85,000 visitors in 2008. In 2010 Saint-Etienne became only the second European city to be invited to join the UNESCO Creative Cities Network as a City of Design, an image changing award.
- In addition, the Modern Art Museum has the second largest French collection of 17,000 C20th and C21st artworks, 2,300 photographs and over 1,000 objects in the industrial design collection. It is near the Montreynaud deprived neighbourhood, and sponsors visits from around 15,000 school children a year

New hospital in the low-income Quartiers Sud-Est neighbourhood

Part of the effort to change the area's image. Public money was used to demolishing an existing social housing block and prepare the site. The construction of the hospital was funded by a consortium of 4 clinics.

Housing & Deprived Neighbourhoods

- In 2001 the city won regeneration funding for four of its low-income neighbourhoods through the national *Grand Projet de Ville*. In 2005 the newly-formed National Agency for Urban Renovation (*ANRU*) classed Saint-Étienne as a special case, and the funding budget rose from an original €113 million (for 2002-2006) to €333 million (for 2005-2012). 27% of the population lives in neighbourhoods forming part of the programme
- Progress has been good (three quarters of the money committed by 2011) and in all 1,016 demolitions, 1,051 new social housing units, and 4,000 rehabilitated homes are planned.
- In the neighbourhoods not covered by the ANRU programme, the municipality is overhauling public spaces and supporting landlords to upgrade their housing.

Social housing blocks in the Quartiers Sud-Est neighbourhood on the south-east periphery of the city

These blocks were built in the 1960s and demolished as part of the ANRU neighbourhood regeneration programme.

Green Agenda

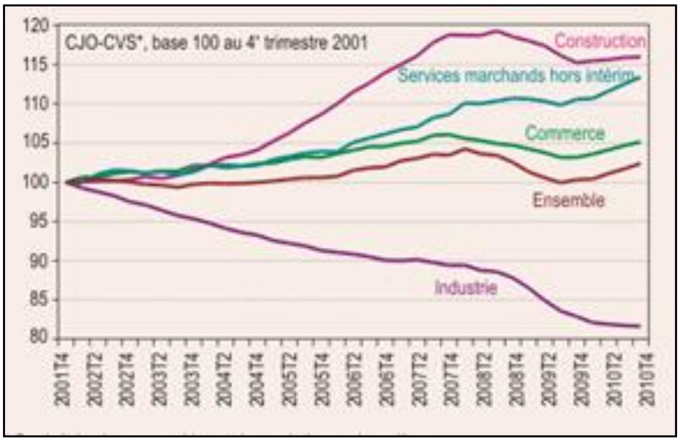
Urbanisation and Sustainable Development: Using the SCOT (land planning) and PLU (housing planning), and ZAC (commercial development) frameworks to deliver dense urban development and avoid sprawl.
Public Transport and mobility Radical rethink of local transport (walking routes, cycle routes, school "walking buses"). Public transport: new tram, more frequent services; project to reduce impact of goods transportation
Housing and buildings: Identify a priority list of 1950-70 buildings for action; work with owners to build awareness training for skilled workers and supervisors in energy efficient skills; 500 new high environmental standard social housing units a year.
Innovation and a green economy: Development of "industrial ecology" and green business centres;
Agriculture and forests: Promote organic farming, use local wood for construction
Waste Management: Reduce the production of waste, including by composting; new waste processing areas

Impacts / Changes

Economy

- Substantial public aid has helped the city economy restrucutre from a handful of large industrial firms to a networked fabric of SMEs (mostly industrial).
- Active growth of flagship projects and competition clusters linked, many linked to design. International recognition of design
- Industrial employment continues to decline, and other sectors to grow:

Continuing decline of Industrial Jobs in Region, 2001-2011



- Lyon is at the centre of a huge and successful metropolitan area which benefit St Étienne's housing market, and improving train links help
- *Saint-Étienne Métropole* and 4 Cities groups starting to produce clear strategies and offers to an internationalised market
- State intervention reduces local 'ownership' of the process.
- Debt problem inherited from previous administration now resolved by new mayor.

Consultation

- Original recovery policies were developed with very limited consultation with either private sector actors or the general public although current Mayor is changing this.
- Consultation and action around green agenda beginning to take off.

Deprivation and inclusion

- Good progress in extensive neighbourhood renovation including employment and social projects on most deprived estates.
- Still increasing gap in terms of employment and skills between worst estates and city average

Summary

- Overall Saint-Étienne's recovery is 'work in progress'. Recovery will depend on continuing public and private sector investment in the city.

List of Main Interviewees and Contacts

Amongst the many people interviewed and with whom we had conversations, the following provided more formal interviews and contributions to the report

Mari-Dominique Lacoste	Director	Employment Services : Lille, Lomme, Hellemmes, Armentieres
Carole Mignot	Director, Politique de la Ville	City of Lille
Christian Crindal	Director , Economic Development, Commerce et Tourism	City of Lille
Bruno Cooren	Director of International Relations	City of Lille
Alexandra Mahé	Director, Urban and Natural Spaces	LMCU
Ari Brodach	Director of Sustainable Development	City of Lille
Mathieu Goetzke	Director of Urbanism and Land Development	City of Lille
Thierry Baert	Director of Studies, International and Major Development	Urban and Development Agency, LMCU
Rose Secq	Director General, Public Interest Group	Lille Metropolitan Urban Renovation
Stanislav Dendeviel	Municipal Councillor	City of Lille
Thibault Tellier	Historian	University of Lille 3
Brigitte Bariol	Director	EPURES (Research and Policy agency for Saint-Étienne)
Bruno Roux	Director of Economic Development	City of Saint-Étienne
Christelle Morel Journel	Head of Urban Studies	University of Saint-Étienne
Damien Chapuis	Urban and Economic Adviser	City of Saint-Étienne
Sebastien Chambre	Project Manager	EPASE (Improvement delivery agency)
Maurice Vincent	Mayor	City of Saint-Étienne
Nicholas Schmitt	Director of Studies	Saint-Étienne Chamber of Commerce Economic Observatory
Sandrine Sanchez	Director of Urban and Social Renewal	City of Saint-Étienne
Michael Pesey	Urban Policy Officer	City of Saint-Étienne
Pierre-Jean Guerra	Director of Innovation	Metz Metropole
Alexis Serré	Social Researcher	University of Metz
Marie Odile Lefèvre	Documentalist	Moselle Chamber of Commerce
Laurent Montouc	City networks	Sillon Lorrain
Radia Daoud	Mobility and Crossborder Adviser	North Lorraine Urbanism Agency
Sandrine Parazza	Adviser on Quattropole (4 cities) policy	City of Metz
Claire-Lise Le Ster	Adviser on urbanism	Metz Urbanism Agency

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Annex 1: Lille Workshop

See attached summary of the City Reformers Group Lille City Workshop 23-24 May 2011