

## INVITED ARTICLES

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### COMPANY PRESENCE AS A MARKER OF URBAN DEVELOPMENT IN FRANCE

**Abstract:** Since the Industrial Revolution, enterprises have left their imprint on the urban landscape and local government. This paper begins with an historical context on the subject which is followed by an analysis of the different influences of enterprises on town planning, housing and local urban and social policies.

**Key words:** urban development, spatial planning.

The extraordinary rate of urban development in nineteenth-century Europe, which led to the spatial and demographic expansion of towns and cities, coincided with the development of capitalism and particularly the advent of major companies as consumers of space, ancillary services, and labour. While the factors behind urban development are evidently the result of a number of synergies, the presence of capitalist enterprises – especially major companies – clearly accounts for the growth of many urban centres. Some towns and cities have become very closely identified with a given company, such as Michelin in Clermont-Ferrand and Renault in Boulogne-Billancourt.

The present article draws on a range of examples to demonstrate the impact of company presence on urban development in France. While the role of such major companies can clearly be read in the built environment of the past 200 years in many towns and cities, is their impact still as strong today? Much has been written about the role of nineteenth-century industrialists, often wealthy men who played a leading role in their community, building housing and setting up services for their workers. But what of modern, globalised companies with CEOs that come and go and whose main loyalty is to their shareholders, often

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thousands of miles away? We will begin by looking at how companies shaped urban centres in the nineteenth century, showing how a town or city can be entirely dominated by a single large company, before studying the influence of modern multinationals on urban planning. At a time when public-private partnerships are becoming increasingly common, the question is one of considerable significance.

## **1. COMPANIES AND URBAN DEVELOPMENT**

Until the Industrial Revolution, towns and cities were essentially centres for trade and craft activities. Companies, usually fairly small in size, did have a certain impact on towns, particularly via professional associations that often played a considerable role in town management. Towns were often built by and for industry in accordance with prevailing traditions. In the medieval period, workshops (and more rarely shops) were open to the street, due to the need to oversee production and to prevent theft. This also reflects the value attributed to the work of production. The fact that artisans or tradesmen were grouped together by street or by neighbourhood made it easier to keep watch, as well as to bring in supplies of raw materials or energy and for customers to then take their purchases home. Issues such as the width of the streets and the proximity of a navigable river were significant. While some streets or districts specialised in a particular trade, such as tinsmithing or dyeing, the buildings in which such trades and crafts were carried out were still largely indistinguishable from other traditional rural buildings. With the rise of capitalism, companies grew considerably in size and profoundly modified the urban landscape in a variety of ways.

In Great Britain, for instance, the Enclosure Acts and the concomitant shift of many country dwellers to working for companies meant that towns and cities became the key sites of demographic, economic, and spatial expansion. The phenomenon of urban concentration was such that the number of people living in towns and cities outstripped the rural population as early as 1851. Rather than representing a simple shift in population, however, this implied a new lifestyle, a new style of architecture, and, in many cases, a new culture, as companies came to play a significant role in many areas of urban development.

In nineteenth-century urban centres, sites of production were relegated behind the scenes, either as a means of using less costly spaces, occasionally on grounds of hygiene, or due to a wish to foreground more 'noble' functions, such as living quarters or shops, at the street front. The new rising social class, the bourgeoisie, was eager to distance itself from manual labour, and therefore hid it

away. Haussmann's avenues in Paris and their London equivalents are typical in this respect in that they banned commercial enterprises, with the exception of certain trades. Fashionable neighbourhoods become more individualised and workers' suburbs were seen as places of danger.

But while capitalist enterprise was a source of wealth, it also drew a concentration of poorer populations who gathered in specific urban sites, either of their own volition or brought there by their employers. These suburbs – etymologically, that which lay outside the town, which was usually ringed by a fortifying wall – often sprang up when major companies needed to extend beyond the walls or wanted to avoid paying tolls. The Bourgeois cosmetics company, for instance, built a factory in Pantin, just outside Paris, in 1891, to take advantage of the easy supply of animal fat from the abattoirs in nearby La Villette; this drew many workers to the town. Similarly, the opening of a Christofle silverware factory in La Plaine Saint-Denis, also near Paris, together with a number of major steelworks, attracted a large working-class population consisting largely of people from the French provinces and immigrants, thereby giving the 'royal city' of Saint Denis a new character. As a general rule, the entire region north of Paris, traditionally given over to market gardening, was transformed by industrialisation. Towns like Pierrefitte and Aubervilliers, which still retain a few historic buildings bearing witness to their agricultural heritage, were soon home to numerous industries that had a profound impact on the urban landscape. A century to a century and a half on, the arrival of a major company can still be read in the layout, architecture, and population profile of many towns in the northern suburbs of Paris. Towns that retained their agricultural tradition for longer, such as Montmorency, Gonesse, and Sarcelles, now look very different from their neighbours, Saint-Denis, Aubervilliers, and Stains.

In a few cases, the company can even be said to have created the urban centre. The village of Lassalle in the Aveyron *département* in south-western France is a case in point. It was recognised as a town in 1834, when it was called Decazeville. It came into being when large numbers of workers were drawn to the region by the *Houillères et Fonderies de l'Aveyron* (Aveyron collieries and foundries), owned by the Duc Decazes, who gave the new town its name. The company began to manage urban development at the site in 1836, building a church and school and laying out a cemetery, then, in 1863, building a station and connecting the town to the Montauban-Rodez railway via a branch line. The company later came into the ownership of the Schneider family, marking the history of the town again during the Second Empire when Alfred Deseilligny – manager of the factory and husband of one of the Schneider daughters – became mayor, then member of parliament, and eventually twice Minister for Industry. Successive censuses indicating rises and declines in the town's population reflect the company's economic fortunes. The company provides the town with

many of its most important emblems, from the two blast furnaces and three miner's lamps on its coat of arms to the war memorial sculpted in 1934, which depicts the work of the men in the mines.

In the nineteenth century, then, companies were not simply sites of production within urban centres; they were also peripheral sites where workers lived with their families, with their own infrastructure and culture and representing a bloc of votes – all of which added to the town's character. The problem of where to house workers arriving from rural areas arose as soon as large companies began to spring up in urban centres. This was first and foremost an effect of the rural exodus. Driven by poverty and the hope of a better future, the workers arrived in towns and cities with no knowledge of the urban lifestyle or factory work. At this stage, when there were as yet few rules in place, there was absolutely no provision for housing such uprooted individuals. Workers' slums sprang up beyond the town walls almost overnight; the bourgeoisie was horrified by the appalling hygienic conditions and the widespread alcoholism and brutality of those who lived there. The employers, and by extension the company itself as a legal entity, were therefore encouraged to take over the provision of housing for their workers. Companies started building a wide range of forms of low-cost housing as a means of attracting – and monitoring – their workforce. Some examples:

- an entire town consisting of terraced housing built around the mine shaft, for example Bruay-en-Artois, northern France;
- *cités ouvrières* (workers' estates) forming a town outside the original town, either extending in one direction or as a ring of suburbs;
- the ideal Utopian communities known as garden cities.

Such philanthropic and socially progressive undertakings were prompted by educational, hygienic, economic, and occasionally electoral grounds. The Dollfus estate in Mulhouse, built in around 1860, represents the most advanced model of this type of building project. It is an ensemble consisting of terraced houses, each with its own kitchen garden, together with wash houses and communal baths, a bakery, and even restaurants, forming a neighbourhood in its own right. The model was copied in many other towns, with or without gardens, with individual homes or collective housing.

That was not the key issue for urban functionality, however. This depended more on the fact that close proximity between work and housing obviated the need to provide transport while at the same time avoiding the fatigue associated with it. It also meant that the workers could be monitored, as schooling and health needs were met by company schools and doctors. It was also a means of marginalising the workers as a visible presence by keeping them in one circumscribed area, thereby maintaining the exclusivity of bourgeois society. This relationship of service and dependence between companies and their workforce

was more than simply a question of architecture. It not only shaped nineteenth-century urban centres geographically, spatially, and electorally, but also long determined the value and reputation of neighbourhoods and shaped their future forms of economic activity, right down to the present day. In France, the Siegfried Law was adopted in 1894 to encourage low-cost housing. As a result, employers transferred the responsibility of workers' housing to the municipal authorities. Companies thus had a major impact on the urban development of towns and cities, even playing a significant role in managing them in some instances.

## **2. COMPANY DOMINATION OF URBAN CENTRES**

After the First World War, companies played a less important role in building homes for workers. But did this mean that their influence over towns diminished? Not necessarily, as can be seen from a number of French examples from different periods, such as Bourges and Berre-l'Étang.

In the 1920s, companies began to spend less and less on non-compulsory financing of housing for workers. This does not mean, however, that the practice vanished altogether. One example was the garden city at the Bourges airfield, built on cheap land to the south of the city in the 1930s at the behest of the municipal authorities. Its main purpose was to house workers employed by Hanriot, an aeroplane manufacturer founded in 1928. In other words, the Bourges city council used taxpayers' money to build an estate for workers at the city's largest factory. The reasons behind the project were both socially progressive and economic: by helping the company to expand, the city was bringing in jobs. Interestingly, the estate exclusively housed those employed by the aeroplane manufacturer – no employees or workers from other companies lived there. The Bourges garden city was a company town in all but name, housing Hanriot workers but paid for by local taxpayers.

The case of Berre-l'Étang is slightly different in terms of the housing situation, as the town is dominated by a factory built some years later. The petrochemical industry first came to the town in 1929, but it was only in 1947 that the Shell Berre oil refinery was founded. Shell, itself the result of a merger, drew workers from all over the wider Marseilles region and even from abroad. Shell gradually extended its spatial dominance over the town, particularly on two sites, reaching 800 hectares, and was even given its own branch line on the Paris-Marseilles railway.

Before we study the significance of Shell at Berre-l'Étang in greater depth, we shall take a brief look at how entrepreneurial activity began to change this sleepy rural backwater at the beginning of the twentieth century. A large tile

factory was set up in around 1900, significantly changing the town's demographic profile. M. Meyer has noted that foreigners (i.e. Italians) made up 7% of the local population in 1896, but by 1906, this proportion had risen to 22%. Nearly a quarter of the town's population had been suddenly transplanted there to meet the needs of the tile factory. The arrival of the first petrochemical factory in the early 1930s again meant a large influx of foreign workers, which in turn meant building more housing. By 1931, permanently settled foreigners accounted for 28% of the total population – a proportion that rose to 35% if the building projects then underway were taken into account.

The creation of Shell marked a new departure, both in terms of urban growth and immigration patterns. Between 1942 and 1962, in other words from the foundation of Shell to its maturity, the population of Berre-l'Etang doubled. By 1982, it reached 12,500, including 26% foreigners – 31.5% including those that had taken French nationality. The average figure for the wider Provence-Alpes-Côte d'Azur region was 8.2%. The profile of the foreign population had grown more diverse, however. Out of a total of some 3,800 foreigners, the Italian immigrants from the earlier part of the century had become French, while the Greeks who arrived between the two World Wars had moved on; there were about 200 Portuguese and 200 Spanish inhabitants, but by far the majority of foreign inhabitants – 68% – were from the Maghreb. This situation, far from being unusual, is in fact typical of the capacity of companies to attract populations from elsewhere over the period, beginning with outlying rural areas before moving onto workers from foreign countries.

Shell was also of great importance in spatial terms. The company's sites covered 800 hectares – over 18% of the town's area. Given that the potentially dangerous nature of the industry, as classified under the Seveso directive in 1982, required a 300-metre-wide safety perimeter around the buildings, the area was in fact even greater than these figures suggest. The increase in traffic – lorries servicing the factory and staff commuting to and from work, for the most part – meant that roads had to be widened, the cost of which was mainly borne by the municipality.

The factory's staff of 1,500 employees represented 11.5% of the total population. Although not all the employees lived locally, it remained the case that Shell was the largest employer in the town, providing a large proportion of jobs there. Furthermore, Shell's business taxes accounted for up to 90% of the municipal budget in some years. In other words, since Shell was the major source of income for the municipality, the town depended on it. This made it hard for the municipal council to adopt a position contrary to the company's interests, as doing so would have placed them under the threat of financial difficulties. The company thus had a major influence on council policy in terms of housing, commercial enterprises, road planning, and even authorisations granted to other companies to set up business there.

Furthermore, it is important to note that the company had its own policy as regards urban planning in the municipality. In the years following the classifica-

tion as a Seveso site, Shell systematically bought up houses in the protection zone as they came on the market, thereby creating its own legal safety perimeter in order to avoid potential court cases in case of accident.

The company's presence also had an impact on the value of the local housing stock. Houses in Berre-l'Etang are cheaper than those in neighbouring towns, which are theoretically better protected against pollution and other inconveniences caused by the site.

Table 1. Value of housing stock, 2009

Municipality	Cost of houses (euros/m <sup>2</sup> )
Berre-l'Etang	3,070
St Chanas	3,182
Istres	3,120
Fare les Oliviers	3,360
Rognac	3,200

Source: price per m<sup>2</sup> of houses coming onto the market, Se Loger ([www.seloger.com](http://www.seloger.com)).

Shell was more than just a workplace or a source of economic growth for Berre-l'Etang. It played an important part in the municipality and even had a social obligation towards the town – at least, so the workers felt when the company decided to pull out of Berre. At a time when more and more companies are downsizing their workforce, it is striking to note the extent to which employees attribute this obligation to the companies they work for. When Shell sold the Berre-l'Etang site to Lyondell in 2008, for example, it planned 300 job losses, although without compulsory redundancies. However, since Lyondell was bankrupt, under American law, it was not required to respect the employees' social entitlements. Following numerous demonstrations in Berre-l'Etang itself, the employees travelled to Paris to demonstrate outside Shell's headquarters. It took a few months for the unions active at the Berre-l'Etang site to negotiate a settlement with Shell France's lawyers to safeguard the social entitlements that Shell undertook to guarantee in selling the site to LyondellBasell Industries (LBI). It is clear that the company's links to the town and its inhabitants went far deeper than the simple fact of its geographical presence.

### 3. COMPANIES AND URBAN PLANNING POLICY

Although the case of Berre-l'Etang is unusual in terms of the extent of Shell's influence, companies and municipalities have long been mutually influential, to a greater or lesser extent depending on the historical and geographical circum-

stances. The urban planning, fiscal, social, and even territorial policy of a municipality can be influenced or even indirectly determined by the presence of a company.

### **3.1. The Influence of Companies on Urban Geography**

The nineteenth century witnessed the growth of large factories, major department stores, and so on, as a result of capitalism. This led to a fear of the working classes and particularly of large, underprivileged populations living near their workplaces. Their labour was hidden away as far as possible, limiting its presence or even banning it altogether in desirable neighbourhoods. A segregative form of spatial division was already apparent at the level of individual streets, districts and towns – dormitory towns and urban zoning already existed in all but name. As early as 1917, Tony Garnier drew up plans for an ideal industrial city, based on the principle of separating industry and housing. The term ‘zoning’, referring to the way urban spaces are specialised according to type of activity, dates from 1934 in French; the term was replaced by ‘zonage’ in 1951. The reasons for this specialisation are both technological and financial, although the social dimension also plays a role.

The development of zoning, leading to progressive specialisation, dividing up urban, industrial, commercial, and service sector space, arose from improvements in private means of transport and the spatial displacement of companies towards the urban periphery, which offered a number of advantages – improved accessibility for suppliers, safety, and cheaper land. The corollary of this tendency to urban sprawl and the model of linear development was the advent of commuting. From the 1970s on, industrial estates were matched by dormitory towns; the two spaces, connected by road networks, grew further and further apart, forcing employees to drive ever further distances to work.

Industrial estates proved so successful that the model was taken up by all forms of capitalist enterprise in the late twentieth century, in the form of shopping malls, business parks, office parks, and so on. Whatever the profile of the companies, such sites, often located on the outskirts of the historic urban centre and easily accessible from major transport routes, created a particular form of urban landscape. While such sites were originally located in peripheral or isolated areas, they soon became islands of industry in the surrounding urban sprawl (Micek, 2004). They typically feature buildings of no more than a few storeys, built of concrete, metal, or glass, depending on the nature of the activity, as well as wide access roads for lorries bringing supplies, car parks, fences, and, in a few cases, security staff. The vast majority of those working there arrive and leave by car.



This zoning, which initially divided industry from housing, quickly led to spatial segregation. On the one hand, companies – whatever their activity – require specific types of space and infrastructure, often incompatible with existing buildings. They therefore need specialist zones, on more and more peripheral sites. On the other hand, the cost of land in town and city centres is now so high that it is impossible for many companies to set up business there – not to mention issues such as the potential risk to the surrounding population, noise pollution, and traffic levels. The same is, of course, true for the poorer sections of the population.

However, the separation between companies and housing is being increasingly called into question as sustainable development becomes a key issue. Such separation means long commutes, with all that implies in terms of costs and pollution; this is giving rise to new urban models which bring companies and their employees closer together. At the same time, local residents are more and more inclined to protest when business parks are set up in their neighbourhood, because of the concomitant increase in traffic levels (Montagné-Villette). Yet urban centres need companies as a source of jobs and wealth creation. Urban managers thus find themselves on the horns of a dilemma, caught between the demands of the local population to implement “green” policies and the need to attract companies, even providing financial inducements if need be.

### 3.2. Companies and Urban Management

The relationship between companies – which usually belong to the private sector – and towns and cities – which are publicly managed entities – is often unclear and therefore deserving of attention (Kaczmarek and Young, 2000). Theoretically, their finances and management are totally independent of each other. Yet the practical reality of the situation is often very different, even in towns managed by left-wing councils.

The industrial estate in Vaux-le-Pénil (part of the Melun Val-de-Seine *communauté d'agglomération*<sup>1</sup>) is an interesting example of the ongoing interaction between companies and municipalities. The industrial estate of 122 hectares, founded in 1965, has 250 companies and 7,000 employees and is a major source of jobs and tax revenue for the municipality. The *Amicale de la Zone Industrielle de Vaux-le-Pénil*, an association representing businesses based on the estate, was founded in 1971 to ‘represent and defend the interests of its members in their dealings with the local authority’. This indicates that the local authority is an important, even vital, partner for companies, particularly in terms of financing.

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<sup>1</sup> Translator’s note: *Communautés d'agglomération* are a form of local government structure created by French law in 1999, designed to promote intercommunality in municipalities of at least 15,000 inhabitants and the independent towns that make up their suburbs.

The association requested that the estate be modernised to ‘bring it into line with the needs of companies in the modern world so that it remains a proactive presence in the marketplace’. There can be no clearer demonstration of mutual interests. The project was granted support by the municipality and involved a number of stakeholders in the Melun Val-de-Seine *communauté d’agglomération*. It is interesting to note, however, that aside from the usual improvements to signage, road links, rubbish collection, and so on, the project included plans to create an on-site service hub providing, among other things, canteen facilities, a creche, and meeting rooms, complete with video-conferencing equipment. An analysis of the dossier presenting the case for redevelopment highlights the extent to which the estate – a space given over to private sector companies – relies on financial and other forms of assistance from the municipality:

- The estate is considered as having a social role in the life of the community, fulfilling ‘economic and urban needs’ by providing services for users.
- At stake are the continuation and development of the businesses and the jobs they provide. All these plans are in line with sustainable development policy.

The municipality thus financed the redevelopment of the industrial estate as a means of ‘supporting business and breathing fresh life into’ a part of town entirely given over to private enterprise. In this instance, the type of services and buildings provided by the municipality for the companies are similar to those provided by major companies for municipalities in years gone by.

In other words, many of the companies’ ‘paternalist’ obligations, such as providing housing and services, have now been passed on to the municipality and are now paid for by local tax revenue.

In France, whatever the type of municipality, private companies have always had a major role, whether direct or indirect, in shaping the growth and development of urban centres. However, their concomitant obligations have frequently been overlooked, downplayed, or, for political and social reasons, ignored altogether. At a time when the very notion of the company – often now a multinational entity – is undergoing structural change, it is more important than ever to provide a clear explanation of their role and their sources of financing.

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