



**“POLES D’EXCELLENCE RURALE” IN FRANCE: HOW MUCH WE CAN BORROW
FROM THE COMPETITIVE POLES AND CLUSTERS**

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His main interests in research turn around several main areas: 1) productive and territorial evolution of French “Poles d’Excellence Rurale” and links with the French Poles of Competitiveness, 2) comparative analysis of the Rural Clusters at the global scale, 3) typology of innovations in rural areas: employment creation in the rural areas and green economy, 4) economic reasons for spatial localization: Local Production Systems, and 5) urban and peri-urban agriculture.

Abstract

Our paper provides several insights on the characteristics of the concept of “Poles d’Excellence Rurale” (PER) through bilateral comparisons with that of Competitive Pole (CP) and cluster. The concept of PER is a French government’ initiative designed for the development of rural areas similar to that of the Competitive Pole. We emphasize important particularities of these concepts by analyzing some of their similarities and major differences.

Keywords: Pole d’Excellence Rurale, Competitive Pole, cluster, rural development.

JEL Classification: R11, R12, Q01, Q10.

1. Introduction

There is a recent revival of the regional economics literature concerning the promotion of the concept of clusters. A broad scientific stance on the definition of the cluster stands mostly on the different approaches for analysing and interpreting the cluster performance in their different physical forms: Industrial District, Millieu Innovateur, "Pole de Croissance", "Pole de Compétence", "Pole de Compétitivité" or Competitive Pole, "Pole d'Excellence Rurale", etc¹.

Related to this central idea of cluster performance in a territory, our work emphasizes the concept of "Pole d'Excellence Rurale" (PER) compared to that of Competitive Pole (CP) and cluster. At stake is not whether they belong to one territory or another when defining urban and rural but their comparison in terms of economic performance, policies and innovation dynamics.

We use in our paper the concept of cluster as a generic term for any model of territorial innovation that is for our case the CP and the PER.

First, by cluster performance we mean the competitiveness, regional development and innovation they engender in a territory, their integration on the policy-making arena and their real-world impact. Second, their physical form is much more a source of etymological debate than a real in-depth research of their conception and implementation, policy promotion and comparative structure. The concept of "Pole d'Excellence Rurale" is a French policy initiative targeting the devitalised rural zones of more than 30 000 inhabitants without any urban area in their proximity. This unique initiative is supported by the local authorities and is based on the government request for proposals launched in France in 2006. Promoting sustainable development through the creation of these PER is a government policy engagement to revive economically the rural areas for the most effective and appropriate way of economic development.

The PER engage the rural areas to be considered as "growth and excellence reserves at national level" and their policy is based on the assumption that even "the less competitive territories dispose of resources which could be valued economically" (DIACT, 2007).

¹ All these terms represent different designations of the generic term of cluster. We can add in this category the Regional innovation systems (RIS), New industrial spaces, Local Production Systems (LPS) and Learning region (LR) (see Moulaert and Sekia, 2003, for a comprehensive critique of Territorial Innovation Models in which *local institutional dynamics* have a outweighing role).

The policy of creating the PER was conducted following the same steps as in the case of the competitive clusters², that is promoting a rural and local competitiveness related to the rural assets and creation and integration of activities into the local tissue³.

Thus, they are basically a form of competitive pole adapted to rural territory. Two observations can be made here: one from the point of view of the economic development and the request of proposals and second, concerning the spatial scale of implementation.

First, the PER and CP share a common base concerning the economic development, since the PER is nothing but a "diffusing CP into the rural territory" (Perraud, 2008), but they are different in respect of the request for proposals and expected outcome. The PER and the CP must satisfy certain criteria in order to be implemented. On one hand, the policy for the PER on a specific territory is a-priori based on "expected rural spillovers" on the rest of the rural territory and on "leverage effects" on other territories. According to Lardon and Pin (2007), the concept of "territorial engineering" represents the foundation of the PER and involves a competition and a selection among the "best territorial engineered territories". On the other hand, the competitive clusters will be assigned a label according to a specifications sheet which highlights their agglomeration economies, spillovers effects and international visibility.

Second, the comparison between PER and CP is more comprehensive related to the French territory since the policy foundation is partially conducted by the government. By that we mean that the "bottom-up" co-ordination policy in the territory (the same as in the United States' clusters and strongly opposed to the "top-down" policy) is somehow complemented by two features related to the government: the selection of proposals and the public subsidies.

2. Common roots of clustering and major differences

Before comparing the PER to the CP we are arguing that the concept of CP rely on that of cluster (see tables 1 and 2). By that we are trying to emphasise eventually the heritage of PER from that of the cluster.

First, some differences between the CP and the cluster should be noticed in order to outline the specificities of the competitive pole. Then these specificities should be analysed when we look to the PER.

² Competitive clusters focus on innovation as "one of the key factor of the industrial competitiveness; it is all the more effective when its actors are grouped together in entities developing proximity synergies".

³ Opposed in this aspect to the competitive cluster, the PER prioritizes a "project management developed by several actors" called a "private-public partnership" where different territorial entities are considered as the principal target for the project.

There is no yet a consensus regarding the assimilation of the concept of competitive pole by that of cluster. The two terms are sometimes confounded or used interchangeable. The policy of competitive pole was introduced by French government in 2005 as a reply to the international clusters, mostly American and Canadian.

Table 1: Common and rare objectives for a cluster and a Competitive Pole

Cluster	Competitive Pole
Common objectives	
Fosters networks among people	Reinforcing the competitiveness of French economy
Promote expansion of existing firms	Developing the economic growth
Establish networks among firms	Employment growth
Facilitate higher innovativeness	Facilitate innovation
Promote innovation, new technologies	Promote high-tech activities
Attract new firms and talent into the region	Creation of new activities on a territory
Create brand for region	Enable industrial actors to obtain grants
Promote exports from cluster	Enable private investors to build international partnership
Provide business assistance	Enable academics to keep in touch with the world of industry and to build collaborative partnerships
Rare objectives	

Source: Adapted from Sölvell, O., Lindqvist and Ketels, K. (2003), *The Cluster Initiative Green book*, Ivory Tower AB, Stockholm, Sweden

According to Ketels (2003) analyzing the cluster it is not important for empirical relevance but “to develop a new approach for economic policy that can help to develop regional and national economies”. In this way there is a common agreement within the scientific community regarding the positive effects of a cluster and a less shared opinion about the policy interventions which can generate value through support development and effectiveness (Ketels, 2003). This second opinion need to be taken into account when looking at the competitive pole as a cluster-based economic policy where policy has a very important role by triggering or strengthening development through purposeful political action (Ketels, 2003).

The creation and the targeting of specific competitive poles are government policies both available on the French territory through a rigorous selection process. A more rigorous way to intervene in creating and developing a cluster/CP should be the so-called “cluster activation” (Ketels, 2003) which is “focusing on higher productivity and innovation by mobilizing the capacity of cluster participants to act jointly”. In our opinion this kind of approach should be applied to the competitive pole as soon as it is sufficiently mature by improving or “changing its business environment and institutional structures” (Ketels, 2003). This approach shouldn’t be confused with the regional vision of economic development which seeks to activate clusters by creating these competitive

poles and thus "offering possibilities for rectifying the lack of innovation and co-operation that often characterises French Business" (OECD, 2006).

Two major differences should be outlined here that is the role and implication of public actors and the innovation dynamics. According to Castro-Goncalves and Tixier (2007) the institutionalization process is quite different when we look within a French Competitive Pole and a Porter's cluster. The government is the first actor in the French case while in the second the enterprises (start-up) represent the key to its success. For the Competitive Poles the government practises a strong coercive and normative pressure (see DiMaggio and Powell, 1991) which is strongly opposed to the functioning of American cluster where financial resources are provided by the venture capital and business angels (see Castro-Goncalves and Tixier, 2007). Moreover in France the government plays a major role for the CP by putting pressure on innovation production and on relations among actors (which is not the case for the cluster where relations among agents are historically more solid and more valuable).

Innovation process plays the main role in both cases but while in the case of CP is just an "imposed finality", for the cluster its represents the "beginning" of its functioning, bringing together different agents (Castro-Goncalves and Tixier, 2007).

Feldman et al. (2005) outline that the nature of innovation could be risky when planning an industrial cluster. In our opinion this kind of approach is similar with that applied to a CP. The author described in fact the nature of innovation when public actors try to create an industrial cluster.

According to Duranton et al. (2008) the centralised policy of subsidises in the CP (related to the deliberated choice of certain industries and firms within specific territories) could hamper the territorial innovation in France. Thus the objective of competitiveness/ efficacy for a large variety of labelled CP as well as of industries and territories could be easily confused with that of territorial equity.

The absence of an optimal space' production from the market forces that should be fulfil or not by this public policy of intervention on the economic space (Duranton et al., 2008) is another question that should be analysed when comparing a CP and a cluster.

Concerning the creation of cluster based on policy initiatives authors like De Bresson (1989), Held (1996) and Rosenfeld (1995), emphasize the importance of multiple interactions between sectors rather that a single-sector based cluster.

As we can observe in table 1, we identify and compare some characteristics of a cluster and a competitive pole.

Thus after a brief definition and description of the goals we highlight some common elements which could link the concept of PER with that of the competitive pole and cluster. It is important to question these elements in order to give some clues on their interrelated performance and implementation.

3. Bilateral comparisons

There are several definitions of a cluster/Competitive Pole/PER which depends on the scientific background of the researcher but also the purpose of the study (Soren, 2008). We are not proposing an exhaustive definition of them but only some important characteristics through bilateral comparisons (cluster versus CP and CP versus PER). Then the same characteristics of the Competitive Pole will be compared with that of the PER (see tables 2 and 3).

3.1. Competitive and comparative advantages

There are some differences between the competitive advantages and the comparative advantages within a cluster. In our case the competitive advantages are more related with the competitive markets: “lower barriers to entry or simply a large number of firms may give an industry an advantage in competing with foreign rivals” (Gupta, 2009) According to Gupta (2000) “the competitive advantages is just a synonym for absolute advantage: some natural or policy-induced superiority such as lower taxes or greater labor market flexibility”. Thus “competitive advantage is forged both through intensified inter-firm rivalry and geographical proximity”(Bekele and Jackson, 2006).

Strongly linked to the competitive advantage, a cluster comparative advantage “implies that the cluster in question is more productive and more innovative than others” (Tan, 2006). It implies equally different typologies of cluster which could be compared. Smith argues that “an industry cluster is considered to have a comparative advantage if the output, productivity and growth of a cluster are high relative to other regions” (Smith, 2000). On the other hand the competitive advantages of a Competitive Pole represent its very logic of creation and functioning. Similarly, for the comparative advantages we have different types of Competitive Poles (like the techno-poles, the historic know-how based poles and the factor endowment poles) which could be more productive one than the other.

Table 2: Comparison between a cluster and a Competitive Pole

Cluster	Competitive Pole (CP)
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<i>definition and goals</i>	
A cluster is a geographic concentration of interconnected companies, specialised suppliers, service providers, firms in related industries and associated institutions in particular fields that compete but also co-operate (Porter, 1998)	A competitive pole is an initiative that brings together companies, research centres and educational institutions in order to develop synergies and co-operative efforts Strengthen the competitiveness of the French economy and develop both growth and jobs in key markets through increased innovation, by encouraging high-value-added technological and creative activities and by attracting business to France
<i>competitive advantages</i>	
Endogenous development History matters: outcome of the historical process of cumulative, path-dependent growth process Co-operation and rivalry Local knowledge External linkages	Endogenous and exogenous development, request for proposals/Selection over “natural clusters” Competitive pole: decisive competitive advantages over other places A key position in a given economic branch of activity Access to competencies
<i>agglomeration effects</i>	
Clustering strengthens localization economies Facilitate industrial reorganization Encourages networking among firms Economic diversification Attraction of linked activities International visibility	Polarization, urbanization and competitive advantages resulting from proximity Interdependence between activities Scale economies Specialization A critical threshold National/international visibility
<i>spillovers</i>	
Knowledge spillovers Traded interdependencies Untraded interdependencies	Agglomeration economies Urban spillovers Vertical links between firms Spillover effects on complementary economic branches
<i>innovation</i>	
“The innovative capacity of the cluster refers to the ability of the cluster to generate the key innovations in products, processes, designs, marketing, logistics, and management that are relevant to competitive advantage in the industries in question” (Enright, 2000)	Development and technological innovation
<i>request for proposals/selection</i>	
Endogenous development, historical accident No request for proposals/selection	Strategy of economic development International visibility Value added activities and R&D synergies Partnership between actors A structured and operational governance
<i>comparative advantages</i>	
Different typologies of clusters	Techno-poles Historic know-how based poles Factor endowment poles
<i>geographical scale</i>	
Mostly regional scale	A given geographic area
<i>local, regional, national and international promotion</i>	
International	Mostly international

Finally, for the case of PER the competitiveness is transforming into “rural excellence” which is opposed to the advantages of concentration and is based on spatial diffusion considered as a major advantage for the rural territory.

3.2. Agglomeration effects and spillovers

Agglomeration phenomena and spillovers may vary considerably “depending on economic, technological and geographical distances among firms and regions” (Moreno et al., 2004). For the cluster the concentration of “interconnected companies, specialised suppliers, service providers, firms in related industries and associated institutions” (Porter, 2000) which compete but also collaborate determines its competitiveness.

As for the Competitive Poles, the spatial concentration concerns economic actors acting in the same industrial sector. We talk about specialization and the critical-mass of a competitive pole.

In the case of the PER we have a variable degree of socio-economic activities, a high degree of factors related to physical space and traditional activities and social forms of organization. All these elements substitute for the agglomeration effects and are expected to generate rural spillovers based on competition between different territories (territorial competition/ selection among the “best territorial engineered territories”). This is strongly related to the different degrees of rural localization but also to the request for proposals/selection process.

3.3. Innovation

The innovation capacity is central to the concept of cluster and “refers to the ability of the cluster to generate the key innovations in products, processes, designs, marketing, logistics, and management that are relevant to competitive advantage in the industries in question” (Enright, 2000).

The policy of the Competitive Poles was lanced in 2004 in order to “reinforce the French industry, create opportunities for developing new economic activities on a global scale and thus making economic areas/territories more attractive and fighting against delocalisations” (Houel, Daounis, 2009). Thus, this policy was based on “reinforcing the competitiveness of the national economy which lies on three key actors of innovation: firms, public and private research facilities and universities” (Houel, Daounis, 2009).

Table 3: Comparison between a Competitive Pole and a Pole d’Excellence Rurale

Competitive pole (CP)	Pole d’Excellence Rurale (PER)
<i>definition and goals</i>	
A competitive pole is an initiative that brings together companies, research centers and educational institutions in order to develop synergies and cooperative efforts Strengthen the competitiveness of the French economy and develop both growth and jobs in key markets through increased innovation, by encouraging high-value-added technological and creative activities and by attracting business to France	A “Pole d’Excellence Rurale” is an initiative sustained by public, private and associative partnership which try to highlight a territory in one of these four comparative advantages (see below) The goal of a PER is employment creation by encouraging research, professional training and use of new technologies

<i>competitive advantages</i>	
Endogenous and exogenous development, request for proposals/Selection over “natural clusters” Competitive pole: decisive competitive advantages over other places A key position in a given economic branch of activity Access to competencies	Rural excellence: spatial diffusion One industry(ies) or technology which is source of competitive advantage Access to natural resources Low costs Different competitive advantages related to different typologies of rural territories and activities
<i>agglomeration effects</i>	
Polarization, urbanization and competitive advantages resulting from proximity Interdependence between activities Scale economies Specialization A critical threshold National/international visibility	A variable degree of socio-economic activities Different degrees of rural localization A project management developed by several actors » called a « private-public partnership » A high degree of factors related to physical space Traditional activities and social forms of organization Local visibility
<i>spillovers</i>	
Agglomeration economies Urban spillovers Vertical links between firms Spillover effects on complementary economic branches	Expected rural spillovers based on competition between different territories (territorial competition)/ selection among the “best territorial engineered territories” Horizontal links between firms
<i>innovation</i>	
Development and technological innovation	Economic innovation but also social and organizational innovation
<i>request for proposals/selection</i>	
Strategy of economic development International visibility Value added activities and R&D synergies Partnership between actors A structured and operational governance	Different evolutions related to natural endowments and urban proximity (access to markets) Selection among the “best territorial engineered territories” The request for proposals was made on projected economic perspectives, innovation and sustainable development
<i>comparative advantages</i>	
Techno-poles Historic know-how based poles Factor endowment poles	Promoting natural, cultural and tourism resources To bring out the bio-resources in a food-chain Supply of local services and residential economy Development of industrial and hand-made manufacturing
<i>geographical scale</i>	
A given geographic area	A variable local geographic area
<i>local, regional, national and international promotion</i>	
Mostly international	Local

For the PER the concept of innovation is very particular since the innovation in rural areas is not only related to the economic innovation but also to the social and organizational innovation.

3.4. Request for proposals/selection

There is no request for proposals/selection process in the case of the clusters. At least we consider that this type of policy is specific to the Competitive Pole. Indeed concerning the cluster development strategies there are several types of government involvement and intervention.

According to Enright (2000) several categories of government intervention could be mentioned: non-existent, catalytic, supportive, directive, interventionist.

For the competitive pole this policy is based on a strategy of economic development and on structured and operational governance.

As for the PER the request for proposals is made on projected economic perspectives, innovation and sustainable development. It concerns different evolutions related to natural endowments and urban proximity (access to markets). Thus the selection for the PER is made among the "best territorial engineered territories".

3.5. Geographical scale and promotion

Clusters have a spatial concentration which depends on a variety of factors mostly related to the interaction and efficiency among associated institutions and companies. Most of them are regional in nature. Porter (2000) shows that the geographic scope of a cluster is strongly influenced by distance to which these informational and efficiencies occur. Rosenfeld (2001) add that "whatever the scope, the geographic boundaries of clusters are defined by inter-company relationships and not political boundaries". According to Enright (2000) "the geographic span of a cluster can range from a small area within a city to areas encompassing much of a nation".

For the competitive pole we have a given geographic scale in the sense that "natural clusters" of activities are selected (through a request for proposals/selection process) on specific territories to constitute the Competitive Poles.

The same procedure is adopted for the PER with a more rigorous request for proposals/selection procedure which give to the PER their local scale.

4. What have we learned from this double comparison?

As we already see in this general comparison, the concept of "Poles d'Excellence Rurale" is nothing but a rural adaptation of a Competitive Pole which borrows some important characteristics both from the Competitive Poles and clusters but keeps the distance with them concerning the government implication, the agglomeration effects, the type of innovation policy and local results of their implementation and development. More concise results concerning the functioning of the "Poles d'Excellence Rurale" should be developed by comparing them with other "agricultural and/or rural clusters" around the world both from theoretical and economic policy perspectives.

These comparisons between different "agricultural and/or rural clusters" will be further developed not only in terms of policies and practices concerning their creation or selection but also regarding

their territorial performance or common advantages or disadvantages in terms of proximity. More precisely, we should compare the PER with clusters from rural areas of the United States which seem to integrate more "competitive" characteristics than its French counterparts.

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