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Heseltine Institute for Public
Policy, Practice and Place



‘National’ Spatial Strategies in an Age of Inequality

*Insights from the United Kingdom,
Ireland and France*

Edited and introduced by:

Mark Boyle (*University of Liverpool*)
Aileen Jones (*Liverpool City-Region Combined Authority*)
Olivier Sykes (*University of Liverpool*)
Ian Wray (*University of Liverpool*)

With articles by:

Neil Harris (*Cardiff University*) on *Planning Wales Spatially*
Xavier Desjardins (*Sorbonne Université*) on *Planning France Spatially*
Brendan Murtagh (*Queen’s University Belfast*) on *Planning Northern Ireland Spatially*
Greg Lloyd (*Ulster University and Wageningen University*) on *Planning Scotland Spatially*
Niamh Moore-Cherry (*University College Dublin*) on *Planning the Republic of Ireland Spatially*
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About the Heseltine Institute for Public Policy, Practice and Place:

The Heseltine Institute for Public Policy, Practice and Place is a University of Liverpool research institute dedicated to bringing together academic expertise and policy makers in support of a new generation of public policy for successful cities and city-regions. This report has its origins in a Heseltine Institute sponsored event held on June 21st 2018 on National Spatial Strategies at the University of Liverpool as part of the Department of Geography and Planning’s Civic Design Conference. It also originates from a submission made on the basis of this conference to the Lord Kerslake UK2070 Commission on city and regional inequalities in the United Kingdom. The editors would like to thank contributors for presenting at this conference and submitting written versions of their papers for publication herein.

Further details about the Heseltine Institute can be obtained at:
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FOREWORD



The persistent social and economic inequalities across the UK need to be challenged. This need is heightened by the political and economic uncertainties brought by Brexit and the global challenges of technological and climate change. This report by the University of Liverpool Heseltine Institute for Public Policy, Practice and Place, titled "National' Spatial Strategies in an Age of Inequality", is therefore very timely.

Cities and regions are increasingly taking ownership of their futures through the devolution agenda, yet deeper structural inequalities cannot be tackled by local action alone. National frameworks are needed, not least, given the lack of one for England and, more generally, because of the sectoral approach which is taken to policy.

In October 2018 I therefore launched the UK2070 Commission, an independent inquiry into city and regional inequalities in the UK. The UK2070 Commission not only aims to illuminate the nature of these inequalities but also to illustrate the potential value of national spatial frameworks, and to identify the range of policy interventions needed to address them, including governance and fiscal instruments. The UK2070 Commission will report its findings in November 2019.

This report profiles international practice and draws together valuable experience from Wales, France, Northern Ireland, Scotland, Ireland, and England. It identifies fifteen 'lessons' which in combination have implications for a potential new generation of national spatial planning in the UK and beyond.

This report was submitted initially as a response to the UK2070 Commission's call for evidence. I am therefore delighted to see it now published as a Policy Report by the University of Liverpool Heseltine Institute. Gleaned from direct experience in the practice of national spatial planning, it will inform the considerations of the UK2070 Commission and of all those seeking more effective planning of development across the UK.

Lord Kerlake
Chair of the UK2070 Commission

NATIONAL SPATIAL PLANNING IN FRANCE: FROM NOSTALGIA TO REINVENTION?

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NATIONAL SPATIAL PLANNING IN FRANCE: FROM NOSTALGIA TO REINVENTION?

Abstract

The unequal development of France's regions has always been a major political and social preoccupation. Until about 2000, it was common to contrast Paris with the rest of France. Since then, it has become standard practice to contrast "metropolitan areas" with "peripheral France" or "small town and countryside France". The State's capacity to drive the inter-regional rebalancing of development has clearly diminished given both the devolution of power to France's local authorities (*décentralisation*) and greater openness to international trade. The nostalgia of the heyday of "aménagement du territoire" is still alive. But what notions and tools would be fit to efficiently tackle the current territorial challenges?

Planning France Spatially

The policy of deliberately re-balancing development across French regions emerged in the late 1940s. I will outline the key aspects of this policy to help show more clearly how it was scrapped subsequently (Desjardins, 2017).

In 1950, Eugène Claudius-Petit, the Minister of Reconstruction and Urban Planning, set out the case "For a National Plan for Regional Development" (*Pour un plan national d'aménagement du territoire*) to France's Council of Ministers (roughly equivalent to the British Cabinet). A national plan has never been elaborated since that period. Nevertheless, National Planning Policy emerged in the 1950's. In 1955, initial measures were created to limit the development and location of firms in the Paris region. Cultural decentralisation was pursued by creating national theatre centres across the country. This was strengthened in the 1960s by the creation of cultural centres (Maisons de la Culture) by André Malraux, General de Gaulle's Minister of Culture.

In 1963, the Delegation for Regional Development Planning and Action (Délégation à l'Aménagement du Territoire et à l'Action Régionale or DATAR) was created. The "great era" of development was marked by this institution, which was directly supervised by the Prime Minister's office. It was a small mission-focused administration of a hundred persons. Its purpose was to influence the actions of the various ministries so that their policies were compatible with more balanced territorial development. The DATAR was directed by iconic personalities: Olivier Guichard between 1963 and 1968 and Jérôme Monod from 1968 to 1975. It became the symbol of France's national ambition for regional planning. Many great development operations were launched in the 1960s, including: the creation of new towns around Paris, Lille and Lyon; the creation of large industrial-port areas in Fos-sur-Mer and Dunkirk; the "Racine" plan for developing tourism along the Languedoc coast; industrial decentralization; the creation of France's first national parks; and the policy of nurturing "metropolitan areas for equilibrium" around big provincial cities, to offset the weight of Paris.

At the time, there were three principal types of State intervention in regional development: the orientation of company investments, the support of growth clusters (pôles de croissance), and large economic modernisation programmes.

The notion of growth clusters marked spatial planning. This idea had been proposed by the French economist François Perroux in 1955. Perroux's position was simple: polarisation in the industrial

sphere is due to the presence of dynamic firms. Industrial policy-makers had to be careful not to disperse resources available, otherwise they would be useless. They needed to choose a strategic sector, a place suitable to the sector, and attract (or create) a powerful firm which could then “pull” the economy of the entire sector.

The second idea is to direct companies' investments to lagging regions. This idea was notably implemented in France by limiting the development of firms in the Paris Region. Official approval for investments was adopted in 1955, whereby projects for the creation or extension of factories or offices in the Paris region had to pass a preliminary examination. Assistance was offered to companies that decided to settle in rural areas. This policy had significant results. In particular, it helped to industrialise the peripheral regions of the Paris Basin. They were the main beneficiaries of the industrial redeployment of industries, especially automobiles and electronics. Why did it succeed? Because the policy accompanied trends in “Fordist” industries which led to the geographical dissociation between the places of decision and design (engineering, marketing, advertising, etc.) and manufacturing sites.

The third form of territorial economic interventionism concerned large industrial or agricultural projects that reshaped territories. The choice to strongly modernize agriculture, stated as early as the 1950s and confirmed as of 1962 within the framework of the Common Agricultural Policy on a European level, had a considerable territorial impact through the massive reduction in the number of farmers. Other major “modernisation” programmes were industrial. These projects also concerned France's military-industrial complex (including de Gaulle's nuclear weapons programme), energy (the decision to develop nuclear energy in the 1970s), and transport (the emblematic launching of the High-Speed Train). In all cases, the impulse of the public authorities was massive and the “territorial dimension” of these programmes was clearly expected.

During the 1980s, the conclusion was drawn that France had to give up or recognize that it was no longer possible to use these three levers. As restrictions on foreign trade were gradually lifted, the desire to direct the location of manufacturing units no longer made much sense. Factories relocated massively to Asia: the territorial division of production processes by companies moved rapidly from a national to an international scale. At the same time, “industrial Colbertism” seemed increasingly obsolete (though no clear assessment of its limits has ever actually been made). It also shifted to a European level for France's aircraft and aerospace programmes. Lastly, the growth clusters turned out to be a clear failure. For all these reasons – ideological, economic and political – economic intervention became increasingly “indirect”.

There was a shift from orienting and constraining towards encouraging. Exceptions aside, the government progressively decided to intervene, no longer directly in company operations, instead they tried to concentrate on orienting their practices. Starting in 1980, rebalancing policies no longer intervened directly in corporate strategies, but aimed more simply to make

regions more attractive. The three main policies are successively presented.

Support for regions facing economic recession

In France, policies to support regions marked by major job losses have been numerous. Since 2002, a French law has obliged companies with more than 1,000 employees to engage in industrial rejuvenation activities when they implement collective redundancies which by their size affect the equilibrium of one or several employment catchment areas in which they are operating. These emergency policies are therefore often accompanied by longer-term programmes aimed at transforming the living conditions of a territory more generally. To this end, the government set up “conversion centres” in 1984, for 15 areas that suffered from the economic recession, including port areas (Fos-sur-Mer, Dunkerque-Calais), steel-producing regions (Lorraine), metalworking areas (Caen), or mining territories (Albi-Carmaux, Valenciennes, etc.). Other policies followed, often related to incentives for businesses to settle in these territories. The results were often not negligible, but remained disappointing because such aid frequently had windfall effects, while the mortality rate of new companies has often been higher than average.

Support for local development

The notion of “local development” has had certain success since the 1980s. This notion comes from academia. Scientists, spatial economists, geographers, interdisciplinary specialists of regional studies (then brand new) all put forward hypotheses for “local development”. Based on solid case studies from many countries, they formulated notions relating to “innovative environments” or “local productive systems”.

As far as territorial actors are concerned, this new theory was rapidly integrated into public policies. Indeed, since nothing seemed to be coming “from above”, it was necessary to organize things “from below”, in order to find routes to robust development. In Brittany and Lorraine (around the Pompey basin), as well as in various rural and mountainous regions, pioneers launched local development projects. They were rapidly supported by the State, which created “countries” (or pays) in 1995. The Voynet Law of 1999 was the heyday of this type of development, generalising such pays by establishing about 400 in France. They had one goal: designing development projects which addressed economic and social issues, but also educational and cultural ones within areas that were not constrained by existing administrative limits. These projects were meant to be set up on the basis of involving civil society, unions, company directors, teachers and even representatives of local associations and charities. The State promised financial aid, financing local initiatives via contracts. Activities were not directly carried out by the pays, which were more supervisory organisations, but by the various partners present within a pays (especially local government and associations). Momentum ran a bit out of steam afterwards and state involvement was cut back. Since 2014, the pays have a new, highly technocratic name, and are called “clusters of territorial and rural equilibrium” (pôle d'équilibre territorial et rural). That said, the idea of designing development strategies based on local

issues, which are highly inclusive of socio-economic actors, is now very commonplace and a sign of success.

Paris and large cities, engines of France?

Since 2000, national spatial planning policies have been marked by a significant strategic change compared to the 1950s: the aim now is to support “what works”, in terms of business sectors and territories.

As of 2004, the policy pursued by the DATAR concerning “competitiveness clusters” was less focused on “specific zones” than on sectors. The aim was to concentrate public monies on a few clusters, managed by professionals, in order to increase cooperation between companies as well as between companies and research organisations. The final goal in this case was to achieve strong competitiveness in given sectors, derived from obtaining significant market shares in Europe and the world. Industries in this case are presented as having a fundamental role in terms of their capacity for leading the rest of the French economy. However, France is operating in sectors that are very exposed to competition from emerging countries, while it faces the challenge of developing technological industries generating high value added. The cluster policy was launched in 2004, with a call for tenders for projects that led to the selection and labelling of 71 applications during an initial phase (2004-2008). Today, a third phase is in progress, running from 2013 to present.

A second major bifurcation of development planning has been the proclamation of Paris as the national “engine” of development (Desjardins 2018). During the post-war boom, policy was not anti-Paris. The moving of factories away from Paris was also part of a policy for concentrating finance, research, culture and even armaments around Paris. In short, Paris's competitiveness was also strengthened. But since 2005-2010, the development of greater Paris has been supported explicitly and without limit. Support for Paris is once again evident with the “Grand Paris” public transport project. This project was initiated by President Nicolas Sarkozy. From the regional planning point of view, the aim is to boost the economy of Île-de-France by improving its public transport network, particularly in favour of the region's access points, such as its airports and its main economic clusters: especially the La Défense business district to the west of inner Paris and the Plateau de Saclay research cluster (about 25 km to the south west of central Paris).

More recently, the government has embarked on a policy of strengthening metropolitan areas (Behar, 2010). This policy has resulted in the creation of a new type of public institution for inter-communal cooperation intended to organize metropolitan areas. Also, and perhaps most importantly, this strategy involves State investments in several public services centered on France's largest agglomerations, especially universities. A map of investment in universities since 2008 clearly shows a concentration of endowments in large cities, whereas the 1990s had been marked by a desire to extend university coverage to medium-sized cities.

Commentary: Efficacy and Key Issues

The decline of state involvement in explicit spatial planning policies and the growing importance of the welfare state to rebalance regional developments

So, what remains of the ambitions of development planning policies for the least developed territories? Some aid mechanisms still exist for rural or some peripheral areas, but the monies are really becoming very marginal. The State's “spatial planning” budget now only represents 0.2% of GDP. Nevertheless, France's national budget does redistribute massively across territories through mechanisms that are not very visible, namely through the policies of its welfare state.

Economists, notably Laurent Davezies (2008) and Magali Talandier (2014), have used the theory of “the base” to analyze these phenomena. According to this approach, the development of a territory depends on two factors. The first is its ability to expand its income – known as the “economic base” – coming from the rest of the world. The second is the intensity of the internal circulation of money: i.e., the propensity of households to consume locally. Development involves employment, income and population growth in a territory. The “basic sector” is the sector that brings all kinds of income captured outside the territory. The “domestic sector” includes activities that produce goods and services sold locally (bakers, doctors, shopkeepers, housekeepers, etc.). The vitality of this sector depends on local demand and local income, which are themselves determined by the base and the propensity of the inhabitants to consume locally. Thus there are two economic sectors: one exposed to competition with other territories, the other protected from competition and relatively insensitive to cyclical shocks.

The economic base of territories is today therefore very heavily dependent on the redistribution systems operated by the State and France's social security system. State taxes and the social security system collect revenues and contributions which have no territorial intent. They are levied roughly proportionately to household incomes and hence territories' incomes. These sums are then redistributed in roughly equal amounts per capita. This mechanism allows the transfer of tens of billions of euros from “rich” territories to “poor” ones. Laurent Davezies estimates that Île-de-France redistributes about 10% of its GDP (some €50 billion) to the provinces, via the State budget and the social security system. Private transfers supplement these public transfers. The fact that Île-de-France loses one-third of its retirees through relocation to the provinces causes the region to lose a significant part of its income. Daily mobility (long-distance commuting), weekly or annual travel (to second homes and holiday resorts) or residential relocation (for example, on retirement) have all led to a clear dissociation between the “geography of production” and the “geography of income”.

Magali Talandier has shown that, on average, residential income accounted for nearly half of the basic income of settled areas in

France in 2005. Revenues from “exported” activities represented barely 20% of the revenues collected from outside a territory. This was equivalent to all transfer revenues. The public base (salaries of public employees) represented 9% of residential revenue. For settled rural areas alone, basic residential incomes play a more important role, since these incomes account for two-thirds of the base economy in rural areas (compared to half for all settled areas). This difference is explained by retirees, tourists and commuters. This income-generating mechanism, whereby revenue is not created locally through productive activities, makes it possible to understand how spaces devoid of metropolitan assets have been able, over the last decades, to see employment progress, the income of their populations improve, and see newcomers arrive to live in them, etc.

The development strategies of rural areas therefore overwhelmingly rest on the capacity of these areas to capture these revenues. The enhancement of local heritage, support for cultural life or animation by markets, fêtes or sporting events are thus important levers to capture “mobile” inhabitants and with them, their income. Therefore, at least at the local level and for less productive areas, environmental and cultural considerations are not opposed to development. However, there is a threat to these mechanisms for capturing external revenues given the level of public spending. It represented 57% of GDP in France in 2016 and in 2017. This is a historical record, and one of the highest levels in the world. Any reduction in the level of public spending will impact territories unevenly: those areas that are least exposed to international competition and the least productive will likely feel spending cuts most painfully.

The State's capacity to drive the inter-regional rebalancing of development has clearly diminished given both the devolution of power to France's local authorities (décentralisation) and greater openness to international trade. So now the State has only two levers of action: the mechanisms of the welfare state to balance income, and aid for the creation of a “framework” which is attractive for investments. However, it must be asked whether initiatives are enough. Of course not. Local development can only be one of the levers of an economic development policy. Bernard Pecqueur, a leading expert of local development, noted in 2000 that such initiatives can coexist with the logic of “sites set up by transnational companies which are nomadic, and not well-anchored in an area, and which are forever, systematically searching for the lowest costs possible”. Much of the future of the territories is beyond the control of people who live in them. To reinvent a new national planning policies, two questions have to be discussed: the nature of the current territorial inequalities and the tools and notions that have to be used (Vanier and Desjardins, 2017).

What are the territorial inequalities?

The political debate today on “territorial inequalities” is structured strongly by the contrast between “metropolitan areas” and “non-metropolitan areas”. As we have seen, national policies are now quite favourable to the largest cities in terms of investment in universities or transport. But the actual dynamics of territorial development does not show such a clear opposition between

“strata”. Some metropolitan areas are not faring very well (notably Rouen, Lille or Metz). On the other hand, many rural areas show obvious signs of vitality, especially in western France. This debate over “strata” masks very strong inter-regional development gaps, particularly between north-eastern France and the Paris basin, as well as the rest of the national territory (see Figure 4). The GDP of the south and west of France is 3.5 % higher than this of the north-east in 2003: in 2015, it is nearly 10 % higher. These regions are suffering from the decline of the old industry and of the Fordist industry. The example of Nord-Pas-de-Calais is striking. The mining basin of Nord-Pas-de-Calais has gone through several decades of rejuvenation development strategies. The results are indisputable, many large companies have set up plants there: Renault in Douai and Maubeuge, La Française de Mécanique in Drouin then Toyota in Valenciennes, in the 1990s. Railway construction is developing in Valenciennes. In terms of industrial brownfield sites, the Nord-Pas-de-Calais Public Corporation (l'établissement public du Nord-Pas-de-Calais) has developed ambitious reconversion activities on part of the 10,000 hectares of industrial wastelands identified at the beginning of the 1980s. Investments in cultural activities have been important. The Louvre-Lens Museum which opened in 2012 is a symbol of this ambition. Transport networks have been greatly improved, notably thanks to the opening of the high-speed rail node near Lille, where lines link Paris to London and Brussels. However, some indicators are still very alarming today. In 2015, the unemployment rates in the Lens-Liévin and Valenciennes job catchment areas were respectively 16.9% and 15.5%, compared to an average of 10.5% for mainland France. Also, life expectancy for men is more than two years shorter than the national average for the Nord-Pas-de-Calais Region as a whole. “Firefighter” development policies have often reduced difficulties. Some industrial regions have been redeveloped by such policies. However, at the national level, France's old mining, iron and steel regions of the North and the East still face the most social, economic and health problems. Much is made publicly about the contrast between “cities” and “the countryside”, and this discourse is deliberately retrograde. But we need to ask whether it is in fact not masking the accentuation of other, more disturbing imbalances, requiring more rigorous political solutions than just slogans.

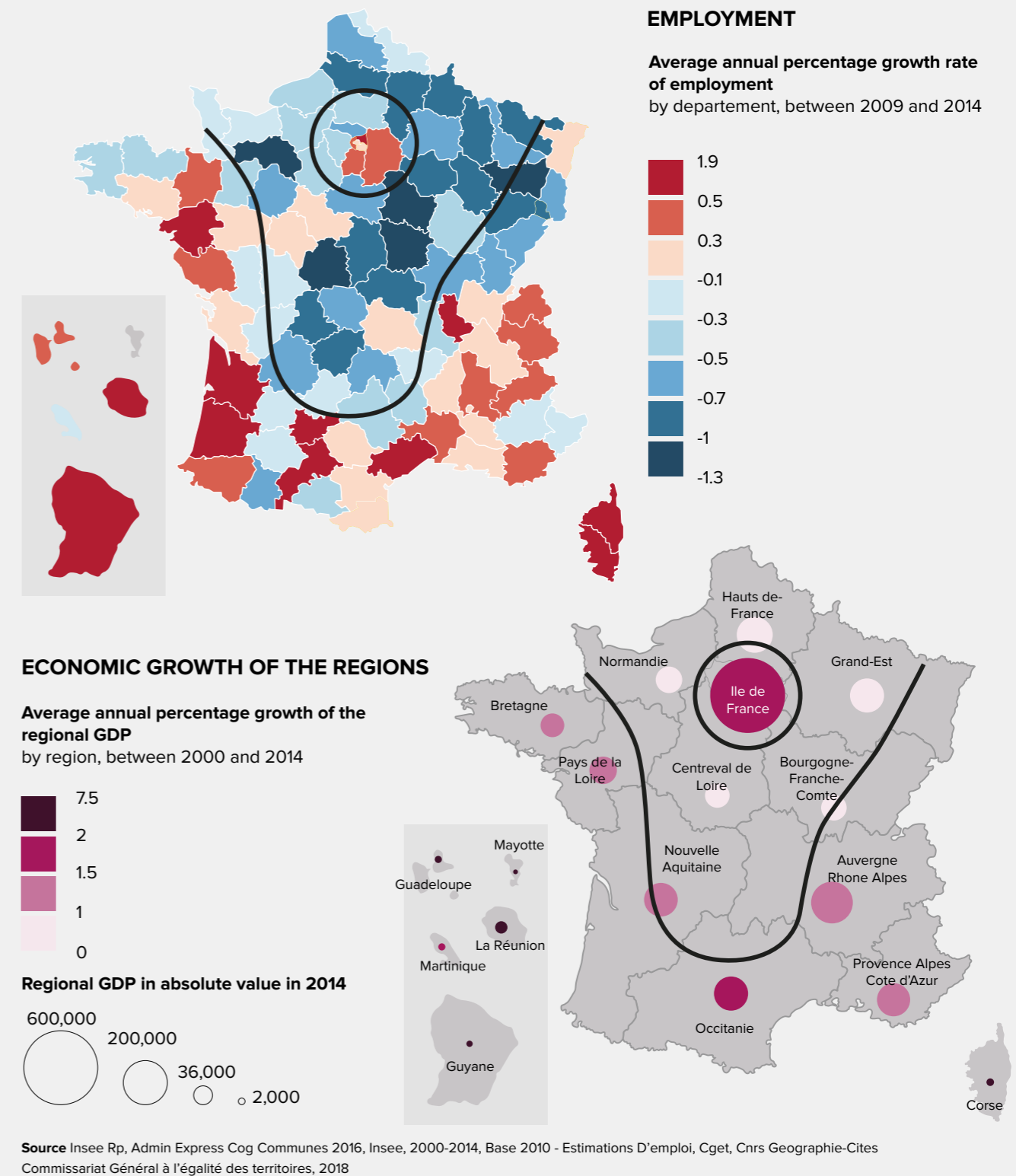
National spatial planning policies need reinvention, not nostalgia

Because of the increasing concerns over territorial inequalities, many are dreaming of the rebirth of the “aménagement du territoire” as known in the 1960s. DATAR is like a myth. For example, many regional councils have named “DATAR” their department in charge of spatial policies. But this nostalgia is not a good driver for the reinvention of national planning policy. The three levers used in the 1960s are as relevant today as then.

The country is now well equipped. With mobility facilitated for many, we can short-circuit the nearest city to have access to a resource (retail, university, leisure, and the so on). The hierarchical distribution of investments in function of the cities' size was relevant when the state had control over them, which is no longer the case. In short, national spatial planning must aim at the complementarity of services offered between cities, define the functions to be attributed to each territory according to its relations to others

Figure 4

Changing Fortunes of French Regions



and thus think system and reciprocity rather than hierarchy and autonomy. Moreover, national spatial planning cannot be that great a redistributive mechanism that it claims to continue to be. Redistribution is much more powerful when it passes through global mechanisms, without territorial discrimination (we receive the same pensions everywhere in France, we access the same public service, we have the same social rights whatever the regions, etc.), and that household mobility reallocates this income in space through residential choices. The true mission of regional planning is not compensation, it is the transaction between all territories, their communities and their actors, which enable them to create a territorial solidarity.

Wider Implications of the French Case

- The acceptance of social inequalities seems to be growing in European societies (*Esprit, L'imaginaire des inégalités, septembre 2018*). The fight for “social justice” or “against social inequalities” has progressively disappeared from the social scene as has concepts such as “equality of chance” or “social equity”. The “egalitarian project” is also less audible. But the territorial prism continues to be one of the last arenas where such a project still seems acceptable.
- The debate on the nature of regional inequalities in France is complicated, for two main reasons. The first one is that this issue is blurred by ideological bias (for example, reactionary anti-urban discourse is rejuvenated each time it seems possible to criticize the “metropolisation”) and political tactics (lobbies of elected peoples or actors from mountains, low-density areas, poor urban districts and so on are competing to be the “true” forgotten and badly-funded part of the territory). The second factor is there is no clear and shared criteria to define spatial inequalities: is levels of unemployment sufficient? Chances to follow higher education programs? GDP per capita? Health inequalities? Moreover, it is often difficult to determine if the territorial inequalities are due to the local context (for example due to a lack of public amenities) or to the social characteristics of the inhabitants. In this context, it seems important to have a “reset” of the national discourse on territorial inequalities: too simple or too confused, it seems unable to combine a shared description of territorial inequalities and an understandable definition of levers to address them.
- Because of the importance of the state in the birth of “aménagement du territoire” in France, it is still the central government that seems to be the “natural” level to reduce territorial inequalities. But, as we have seen, its role has progressively declined, due to the increasing capacity of the European Union on one side, and of the local authorities on the other side. Moreover, because of the development of the infrastructure and the growing public expenditure, the state is less able to reduce the territorial inequalities by territorial differentiation of public expenditure. In this context, the reduction of territorial inequality depends less on “vertical redistribution” (from the state to the local) than on “horizontal transaction” (thanks to reciprocity between localities). This reciprocity between territories (to foster “win-win exchanges” in agricultural, energy, leisure, culture, education and so on) is not immanent in the context of devolution. In many countries, like in France, the decentralization has often led to create “mini-states” jealous of their “fiscal bases” and competing with the others. Could it be a new role for the state to foster “reciprocity” between territories to reduce territorial inequalities (and foster a circular economy), not only between contiguous territories (like the “metropoles” or the “intermunicipal cooperation”) but sometimes between distant but complementary local authorities? It is a new challenge for the central government, not only to try to reduce territorial inequalities with its own levers, but also to create incentives and tools to facilitate and stimulate “horizontal transactions”.

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