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Paris and London : metropolitan dynamics and economic governances (1990-2017)

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Edouard Dequeker-Fergon Dequeker. Paris and London : metropolitan dynamics and economic governances (1990-2017). Sociology. Institut d'études politiques de paris - Sciences Po, 2020. English. NNT : 2020IEPP0005 . tel-03408582

HAL Id: tel-03408582

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Institut d'études politiques de Paris
ECOLE DOCTORALE DE SCIENCES PO
Programme doctoral en sociologie
Centre de Sociologie des Organisations

Doctorat en sociologie

**Paris and London: metropolitan dynamics and
economic governances (1990-2017)**
Volume 1

Edouard Dequeker

*Thesis supervised by Michael Storper, Distinguished Professor (UCLA)
and Professor of Economic Geography (LSE)*

defended on September 4th, 2020

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Declaration

I certify that the thesis I have presented for examination for the PhD degree of Sciences Po Paris is solely my own work other than where I have clearly indicated that it is the work of others (in which case the extent of any work carried out jointly by me and any other person is clearly identified in it). The copyright of this thesis rests with the author. Quotation from it is permitted, provided that full acknowledgment is made. This thesis may not be reproduced without my prior written consent. I warrant that this authorisation does not, to the best of my belief, infringe the rights of any third party.

I declare that my thesis consists of 143 722 words.

Edouard Dequeker, Paris, June 2020

Abstract

In the actual context of unprecedented mass-urbanization, understanding the set of forces shaping the unequal growth and decline of cities has structured different academic streams, each of which providing additional pieces to the puzzle. While New Economic Geography (NEG) and Regional Science and Urban Economics (RSUE) convincingly highlighted the role of technological and economic forces in the agglomeration of activities, the literature on urban governance has so far not significantly contributed to explaining the differentiated growth of cities.

By focusing on Paris and London under the Third Industrial Revolution (1990-2017), two superstar cities and the only West-European megacities, this thesis aims at exploring the link between their comparative metropolitan dynamics and their respective governance systems. It first establishes a comprehensive quantitative spatial, demographic and socioeconomic diagnosis for their trajectories, highlighting commonalities and key differences. These differences are the effective dependent variable of the thesis, which then establishes the key ways that governance explains these observed variations. Through an analysis of the governance of planning and a comparative case study of institutional actors and business associations, it then investigates the way in which each system of interrelations and notably of public-private interactions contributes to producing and reproducing the different developmental trajectories of the two regions.

Not based on a parsimonious econometric proof but on a sensitive historical and qualitative analysis backed by statistics, this work supports the hypothesis that the “economic governance” of cities, defined as forms of soft-institutionalizations of public-private relations, in a faithful filiation with neo-institutional economics, plays a complementary and catalyst role in metropolitan dynamics.

Abstract (*French*)

Dans le contexte actuel d'urbanisation massive et sans précédent, la compréhension des forces façonnant la croissance et le déclin inégal des villes a structuré différents champs académiques, contribuant chacun à éclairer une partie du puzzle. Tandis que la Nouvelle Géographie Economique (NEG) ainsi que les Sciences Régionales et l'Economie Urbaine (SREU) ont utilement mis en lumière le rôle de forces technologiques et économiques dans l'agglomération des activités, la littérature sur la gouvernance urbaine n'a pour l'heure pas réellement contribué à expliquer la croissance différenciée des villes.

En se concentrant sur les cas de Paris et de Londres pendant la Troisième Révolution Industrielle (1990-2017), deux villes-mondiales de premier plan et les deux seules mégacités ouest-européennes, cette thèse entend explorer le lien entre leurs dynamiques métropolitaines comparées et leurs systèmes respectifs de gouvernance. Elle commence par établir un diagnostic quantitatif spatial, démographique et socioéconomique détaillé de leurs trajectoires, mettant en lumière points communs et différences. Différences qui constituent les variables dépendantes effectives de la thèse. Elle établit ensuite les mécanismes par lesquels les modèles de gouvernance expliquent ces différences. Au travers d'une analyse de la gouvernance de l'aménagement et d'une comparaison des acteurs institutionnels et structures de représentation du monde économique, elle explore ensuite la manière dont chaque système d'interrelations et en particulier d'interactions publiques-privées contribue à produire et à reproduire les différentes trajectoires de développement.

Ne se fondant pas sur une démonstration économétrique parcimonieuse, mais sur une démarche historique et qualitative mise en perspective par une analyse statistique, ce travail soutient l'hypothèse que la "gouvernance économique" des villes, entendue comme des formes d'institutionnalisation souple des relations publiques-privées, dans une filiation fidèle à l'économie néo-institutionnelle, joue un rôle complémentaire et catalyseur dans les dynamiques métropolitaines.

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Acknowledgments

This thesis is the result of a journey so long that I am not even sure of when it exactly started. With my eternal fascination towards such concrete and common yet mysterious objects as cities ? With my childhood, adolescence, *classe prépa* and early professional life in Paris endlessly discovering new neighbourhoods, day and night, always astonished by its formal and architectural beauty while struck by how hard it was to simply cross its boundaries by foot? With my discovery of London and Oxford in 2007-2008 and thus of the disconcerting contrasts that the British society can shelter, matching exuberant behaviours and surviving aristocratic phlegm, combining urban and economic plasticity with scattered feudal privileges, the whole of which being tinged with an extraordinary and sometimes excruciating sense of humour ? With my numerous trips throughout the Greater South East this very year, as well as the many very long nights on the coaches to Paris, back and forth, before Eurostar finally stopped being a luxury product ? Perhaps with my first comparative work in ESSEC when the Greater Paris agenda made us look (again) at the other side of the Channel ? Or simply and eventually with the official kick-off whistle of this work in December 2014 ? It is still very hard for me to tell.

Yet what I am sure of is how much it owes to others. The first one being of course Michael Storper who granted me the great honour of supervising this project on the sole basis of written and Skype exchanges. The intellectual stimulation and level of ambition surrounding it, that I felt as soon as our first conversation, has never waned in five years. I owe my supervisor a true experience of research, binding intuition, investigation, rigor and creativity: a vivid and permanent theoretical, methodological as well as empirical iteration all the more necessary when applied to urban studies and to such metropolitan areas. Under his benevolent and demanding yet never intervening watch, this thesis always remained mine. However in many respects it is also his. Thank you, Michael, for having been the best director I could have hoped for on such a transdisciplinary comparative journey.

I am of course eternally grateful to Franck Vallerugo who has helped me in so many ways throughout the last ten years and without whom my ungovernable needs for independence, intellectual stimulation, professional embeddedness, permanent novelty, travel and transmission - everything that until then I had always believed to be contradictory - would never

have materialized. Thank you, Franck, for helping me discover and accomplish my true vocation.

I then want to thank Olivier Borraz and all the researchers from the Centre for the Sociology of Organizations for trusting me on this project, welcoming me while I was still extricating myself from La Défense, and supporting me all along. During these last years I witnessed the vital importance of a favourable research environment in such a work. Besides the material conditions offered to PhD candidates, I will not forget the unique human supervision that the CSO cares to offer, from the proximity of researchers to the devotion of the whole team – Samia, Simon, Edith, Péguy and Valérie. All of this has reflected in a very positive mood feeding us every day, which I more specifically shared with my CSO Consulting Associates : Alexis, Alizée, Anne, Audrey, Sébastien, Tonya, and of course Hadrien and Valérie who have been on my side literally all along this thesis.

This work owes a lot to many Professors who followed its progress with interest, benevolence but always high academic standards: Alain Bourdin, Paul Cheshire, Claire Colomb, Pierre-Philippe Combes, Frédéric Gilli, Ian Gordon, Mark Kleinman, Christian Lefèvre, Patrick Le Galès, Max Nathan, Henry Overman, Jean-Claude Prager, Mike Raco, Alain Sallez, Pierre Veltz and Christine Whitehead. I devoted all my personal resources to have this final product honour the richness of our exchanges. On a more personal note, I owe so much to many teachers that I will keep trying to inspire my future students, just like they have inspired me and changed my life. In this respect, my strongest gratitude goes to Christian Monjou and Olivier Wieviorka whose level of devotion to my scholar accomplishments still humbles me.

I am also incredibly grateful to the people and environment of the Chair of Urban Economics of ESSEC. First and foremost to my research and city-trip partners, Laurence, Patrice, Telman and Thierry. Then to the friends I met there as a student, who I was already harassing with this very comparison back then: Agnes, Antoine, Camille, Chloé, Clara, Clément, Daphné, Guillaume, Sarah, Thomas, Yves and many others... Moreover to Dominique and Claire for their incredible support regarding the responsibilities I was given during the last four years. Eventually of course to all the students I have met ever since, in particular Anna, Daniel, Eric, Fleur, François G., François M., Hynda, Julia, Justine, Laura, Luc, Lucas, Maelys, Paul, Pauline B., Pauline G., Quentin B., Quentin O., Sibylle and Yves, for their enthusiasm and creativity...and some others from wider horizons : Inès, Louise,

Mélanie and Najat. I will always bear in mind the intelligence, energy, mind-openness and involvement of Alix, Blaise, Matthieu, Maxine and Thibault who have accompanied me in many interviews in both capital cities and for whom the comparative work on case studies has gone far beyond a simple scholar requirement.

I am also very thankful to my former and present colleagues and friends from work who have all played a role at some point: Marc J., Vincent R., Marc L., Eléonore M., Guillaume G., Stéphane M., Pierre-Aymeric D., Agathe R., Franck L., Domitille D., Emilie B., Tristan D., Kévin S., Philippe A., Catherine P., Magali R., Pierre-Jean B., Lionel G., and of course Pierre B., Yves C., Alexandre B., Jean-François R., Olivier G. and Nathalie B.. I want to express a very specific gratitude to Nicolas who, while endlessly reinventing every tiny bit of every cities, has always shown great support to this work and to its author, but also to Maxime and Henri who followed me with astonishing devotion in such an innovative and disruptive project as the Direction of Strategy. I wish them all good fortune in their future journeys throughout the twists and turns of big infrastructure, land depollution and public organizations, and perhaps further topics and responsibilities.

Because a thesis is mostly a matter of positive energy, I cannot omit a dedication to my crazy fellows from the Dallas Football Club, the team that was born in the beginning of this thesis and that will hopefully - but probably - outlive it. Kev, Rob, Chris, Mounir, Ben, Romao, Antoine, Amar, Adrien, Daouda, Charles, Tomy and of course Captain Rémi, have permanently brought me round to surpassing myself. Above all of them, a very special thought goes to Rachel, admittedly a great manager, but prominently one of the persons that reminds me that debates can sometimes be a source of progress.

Because this thesis was partly about Paris it also owes to the “cluster” that emerged during the London 2012 Olympics, within the City of Paris in the very Delegation in which Greater Paris issues were meticulously dissected, along with a few interns that became close friends : Amélie, Clément, Constance, Fabien and Ulrike.

Because this thesis was partly about London, how could I not mention the unbelievable London Riders, who made me discover the most unsuspected aspects of this city : Yoyo, Romain, Tristan, Sophie, Quentin, Ludo, Anatole, Nazym and Nico, and of course the one that brought us together, Oliver. To all of them I owe an outstanding and never-achieved density of breaches. Amongst them sits enthroned Professor Gauthier who remains an inexhaustible source for inspiration and laughter. Thank you, Gauthier, for everything. In this respect I am

also extremely thankful to Claire, Axel and Heidi who experienced the advancement of this thesis in their everyday life, early in the morning before school, at night after work, on football pitches on Sundays, always witnessing, as years were passing by, the long-lasting presence of this intriguing person in their living-room. Eventually I wish to mention Clo without whom none of this would have been even slightly possible.

I would not be the person I am without my beloved friends from the Bande à Doud : Alex, Antoine, Amélie, Gauthier, Gilles, JB, Oriane and Simon. Sixteen years ago when this unidentified secret society rose in the midst of a cloister, its founding members were sheer babies discovering life. Today they are all women and men who keep fulfilling themselves with style, maturity and hopefully an eternal capacity to evolve thanks to the bounds that were forged back then. This thesis and whatever will follow owes a lot to every single one of them.

Last but not least, to my family I owe the gift of unconditional love, support and admiration that keeps moving me deeply and beyond words. In this respect my hilarious and indescribable cousins have revealed themselves to be a real source of happiness and affection these last years: Alice, Camille, Charlotte, Juliette, Louis, Pierre, Sophie and Valentine. On top of that, supplementing each and every invaluable things my parents gave me, time has brought me motherly and fatherly additional bonds with Béatrice and Jean, which came along with the discovery of sisterly and brotherly love for which I still remain unbelievably grateful: Matthieu and Clémence who have accompanied me since my adolescence ; Pierre who I saw growing up looking at me with love and admiration and who is becoming such a great person ; eventually Adèle and Gabriel whose eyes I today see filled with the same feelings.

This work is dedicated to all of you and to those whose astonishment regarding the unique moment of mass-urbanization happening under our watch will never dry up.

Introduction

“Cities have often been likened to symphonies and poems, and the comparison seems to me a perfectly natural one: they are, in fact, objects of the same kind. The city may even be rated higher, since it stands at the point where Nature and artifice meet. A city is a congregation of animals whose biological history is enclosed within its boundaries; and yet every conscious and rational act on the part of these creatures helps to shape the city’s eventual character. By its form, as by the manner of its birth, the city has elements at once of biological procreation, organic evolution, and aesthetic creation. It is both natural object and a thing to be cultivated; individual and group; something lived and something dreamed; it is the human invention par excellence”

Claude Lévi-Strauss, *Tristes Tropiques* (1955), p.127

For the first time in history more than half of the world’s population live in cities. Whether the turning-point as debated happened in 2007 or earlier does not change the fact that we live in a mostly urbanized and massively urbanizing world. Around 10% of the world’s population was urban in 1900 – which was already higher than any period of time before – and 30% in the mid-20th century (Véron, 2006). Since the 1960s urbanization has proceeded rapidly and fairly regularly to reach 55% in 2018 and will probably attain 60% in 2030 and 70% in 2050 (UN, 2018a). At no point in the history of mankind have we experienced such rapid urbanization. Even though it remains uneven across countries and continents, it is nonetheless a worldwide phenomenon.

Not only are we witnessing, in the contemporary era, unique mass-urbanization which has occurred in barely two or three generations, but we are entering a world of mega-cities – urban areas of 10 million people or more. When the urban population surpassed the rural population in 2007, the world contained 18 megacities. It had 32 in 2017, and this number is expected to exceed 50 in 2035 (UN, 2018a). Despite the fact that most urban growth is likely to occur within cities of one to five million inhabitants, the growing number of very large cities and mega-cities is an integral part of the formation of what can be called a global urban system. Understanding the dynamics of growth of megacities is therefore key in understanding the rise of this urban system. Amongst the key factors determining the growth of mega-cities, the role of governance has received little attention in urban research. In particular, the causal role of governance in shaping the material and economic trajectories of megacities remains poorly understood. This thesis focuses on the governance of two of these large megacities, Paris and

London, and the role that governance played in shaping their trajectories in a comparative perspective. The thesis specifically investigates how the institutions of economic and urban governance in metropolitan Paris and London have shaped the economic performance of the two regions, as well as key elements of their economic geography and spatial form.

Governance and the shaping of metropolitan regions materially and economically

In their 2015 comparative essay on *The Rise and Fall of Urban Economies. Lessons from San Francisco and Los Angeles*, Michael Storper, Thomas Kemeny, Naji Makarem and Taner Osman carry out a comprehensive investigation over forty years to understand the forces explaining why cities might grow or decline differentially. In that comparison, the two metropolitan areas diverged in terms of per capita income over the study period and the authors ultimately attributed a significant causal role to the different institutions of governance and leadership in facing the winds of economic change. This is true of Paris and London as well. In the last few decades, both metropolitan regions have responded to a common wave of technological change (the Third Industrial Revolution) ; globalization ; increased international migration and the rise of urban multiculturalism ; urban gentrification ; increasing income inequality ; the rise of new urbanism and return to the city ; and many other trends that are common to both. Both are the primate cities in mid-sized high-income Western economies. And this is reflected in a certain underlying similarity in performance. Paris and London are quite similar in terms of per capita income, especially prior to income redistribution.

But a closer examination, which I carry out in this thesis, reveals that their economies nonetheless are quite different in how they organize growth and change and materialize it in the metropolitan space. London has higher volatility in its growth, more flexible labour markets, a much wider commuting field, and a more decentralized relationship between private economic interests and public institutions. Over the recent decades, in spite of much volatility, London has performed somewhat better than Paris in terms of growth. Paris has much more regulated labour market, housing markets, and more centralized and top-down infrastructure provision. The two metropolises are in many ways the material embodiment of two national « varieties of capitalism » (P. A. Hall & Soskice, 2001). This is not by accident. I will demonstrate that it is the institutions and practices of economic and metropolitan governance that enable this embodiment to occur, and to inscribe in these two metropolitan regions the strengths and weaknesses of their respective national capitalisms.

Thus, in this thesis I identify an important causal role for economic governance and institutional organization in generating measurable impacts on urban growth and change, and spatial form.

The intuitive but untackled role of « governance » in the dynamics of cities

Why do cities require governance? Because they constitute systems of interdependencies, with numerous joint effects and externalities. Which means that they are inherently based on formal rules as well as daily processes for achieving formal decisions and organized interests. They work somehow as an enormous « principal-agent » system, shaped by numerous secondary agents interacting in an extremely diverse, complex and uncertain way. Therefore the various processes by which actors of a city interact, in a more or less hierarchical, institutionalized, coordinated and conflictual ways, for achieving more or less shared and negotiated goals in uncertain and evolving environment, are an inherent aspect of how they daily work as socioeconomic systems of interrelations. The “governance” of a city generally refers to the nature and degree of institutionalization of these interrelations.

In this respect the type and quality of governance could make a big difference in urban and economic outcomes, even for cities otherwise quite similar, that-is-to-say affected by common major economic forces such as technology, size and development level. Just like the concept of « governance », originally introduced by neo-institutional economics in the 1930s onwards for understanding the existence of firms, was justified as a way of diminishing transaction costs (Coase, 1937; Williamson, 1981), “urban governance” would also play a role in organizing, formalizing and/or facilitating socioeconomic and human interactions that shape urban growth. And therefore make a difference with regards to the unequal growth and decline of cities, along with other technological and economic forces.

However the concept of “urban governance”, increasingly appearing as a concern in urban research in the 1980s and especially 1990s, was never developed in the perspective of causal analysis regarding comparative urban development. Whether related to the horizontal approach of “*urban regimes*” (Stoker, 1998; Stone, 1989, 1993) or other more vertical and institutional ones (Harding, 1997; Le Galès, 1995), sometimes considering it as mirroring a “*re-scaling*” process of European States (Brenner, 1999, 2004), literature on urban governance has so far very limitedly contributed to the reflection on its possible effect on urban dynamics. While it allowed a better understanding of the diversity of actors involved in urban policies and

developments, it has so far not been strengthened by concrete empirical studies and even less by rigorously transdisciplinary comparative studies : ones that articulate with other literatures on economic and technological forces affecting cities and contributing to the spatial unevenness of development. In the 1990s onwards the literature on urban governance contributed to better understanding the formal and/or informal systems of interrelations shaping cities. If these outcomes are henceforth not better articulated with wider analyses and based on dependent variables, the risk is that the whole literature becomes somewhat self-referential and purely descriptive.

In this thesis, I adopt an approach based on a combination of statistical, historical, and case study analysis, where I am always attentive to the boundaries or « controls » issue. I therein explore the interrelation between the governance of cities and their overall dynamics, and thus analyse how “urban governance” possibly fits in a wider set of forces affecting cities throughout similar technological and economic cycles. My permanent concern is to look for « causal » analysis - not just carry out a descriptive or appreciative comparison - and my objective is to understand if, why and how governance can make a difference in comparative urban dynamics.

Paris and London under the Third Industrial Revolution (1990-2017) : a comparative case on the role of governance in metropolitan dynamics

In this section, I summarize the framing of the thesis and the principal findings in greater detail than above. I focus on two Western Europe megacities: Paris and London. Two megacities – housing more than 10 million people - because they are the head of two European primary urban systems: one capital city of more than 10 million people and then smaller regional metropolises between 1 to 2 million people. As opposed to Spain, Italy or Germany for which the later consolidation of State mirrors in a different urban scheme with multiple intermediate metropolitan areas between 3 and 5 million people that do not exist in France or Britain.

These two megaregions bring together a unique array of strategic economic and political functions, which places them in a selected development “club” of “superstar cities” playing a primary role in the global economy (Iammarino, Rodríguez-Pose, & Storper, 2019; Kemeny & Storper, 2020; Moretti, 2013). Such prominent place was indeed reinforced with the transition from the Second Industrial Revolution, based on mechanical rationalized productive processes also known as Fordism, to the Third Industrial Revolution in the late 1980s onwards based on

the rise of the digital economy and the growing importance of high value-added financial and business services (Sassen, 1991, 1994, 2004, 2007; Veltz, 1994, 1996). Being intensively sensitive to agglomeration economies these high-skill and high-wage jobs increasingly clustered in a limited number of superstar metropolitan regions such as Paris and London in Western Europe, which allow better knowledge accumulation (Storper, 2013) and spillovers (Arzaghi & Henderson, 2008; Rosenthal & Strange, 2004), higher innovation (McCann & Acs, 2011) and higher productivity gains (Combes, Duranton, Gobillon, Puga, & Roux, 2012). This transition from the Second to the Third Industrial Revolution thus generally affected Paris and London in a similar way alongside all developed world cities.

Yet despite these similarities both capital regions exhibit an apparent up-front difference regarding economic specialization. London indeed displays significantly higher specialization on these high-skill and high-wage financial and business services than Paris (Bourdeau-Lepage, 2013; Gordon, 2011, 2016; Gordon, Travers, & Whitehead, 2009; Halbert & Pain, 2007; Veltz, 2012, 2019). In other words similar technological and economic forces, affecting such similar cities in terms of size and development level, apparently produced two various materializations, as if these had been differently filtered by the respective social structure of the two capital cities, epitomizing the role played by institutional differences at some point. Indeed specialization is not exogenous : it is endogenous to how a city « selects itself » into that specialization, much analogous to how san Francisco selected itself to be a leader in the Third Industrial Revolution while Los Angeles failed to do so (Storper, Kemeny, Makarem, & Osman, 2015).

It is the premise of this thesis that a key factor in this self-selection process relates to governance and institutions. But it will show much more than that, since it turns out that the overall economic performance of the two cities is not so much different in terms of absolute quantitative prosperity, but more in terms of the somewhat quality of that prosperity. More broadly it will identify a broad set of differences in governance and how public and private powers interact in both metropolitan regions, and thus show how and why these institutional differences affect the various dynamics of both capital cities.

Chapters 1 and 2 first set the baseline of the comparison by highlighting the dependent variables on which the comparison on governance systems is then based. They precisely display the overall similarities of both metropolitan regions as two capital and world cities, with the dense presence of commanding and strategic political and economic functions, and notably high-skill and high-wage financial and business services. But also significant quantitative as

well as qualitative differences. On the one hand London generally exhibits stronger demographic, employment and per capita income growth, especially in the mid-1990s onwards, with stronger specialization in the prominent sectors of the new economy, a higher turnover labour market and stronger income inequalities due to weaker social and spatial redistribution mechanisms. A more dynamic and unequal metropolitan economy mirrored in a more “spread-out” spatial scheme.

On the other hand Paris shows a generally flatter demographic and socioeconomic pattern throughout the whole Third Industrial Revolution timeframe considered, with similar and sometimes weaker dynamics than the rest of the country. The emergence of financial and business services therein did not occur in equivalent terms with lower specializations in these high-skilled leading sectors. Higher labour-market regulations and employment protections, as well as national Welfare policies, therein maintain an insider/outsider scheme by favouring employment stability and an apparent higher labour productivity - by which the French capital somehow partly holds the comparison – but at the expense of those excluded from it. Hence a lower employment basis, a structural long-term unemployment and a lower labour-force participation. This more rigid model is mirrored in a more compact urban scheme with a persisting centre-periphery split.

Through the compared analysis of spatial, demographic and socioeconomic dynamics of the two cities, the thesis therefore highlights key-differences in terms of specialization, labour-market regulations, income inequalities and spatial schemes, for which governance does make a difference and that therefore constitute its dependent variables. Indeed it does not only make a difference at metropolitan scales but also regarding the way both capital regions relate to the rest of the national urban system and are inscribed in different national narratives. This is where the principal contribution of the thesis to knowledge lies.

The next three Chapters explore various components of comparative governance and their history, and relates them to the outcomes set out in the first two Chapters: urban outputs (housing, commercial real-estate and transport infrastructure) and the systems of interrelations producing them (Chapter 3) ; the long-term history of the relational systems of both capital regions, between local, central and economic powers, namely path-dependencies related to public-private and local-central interrelations (Chapter 4) ; the contemporary social structure of big business leaders and interests, and their interaction with local and metropolitan public institutions in the form of an “economic governance” (Chapter 5).

Chapter 3 attempts to fill in the gap between our dependent variables that stem from comparative metropolitan dynamics and the comparison of both urban governance schemes, through intermediate variables: housing, commercial real estate and transport infrastructure. These “urban outputs” indeed at some points in time and space – when compared on similar timeframes (1990-2017) and scales - more or less respectively encounter the evolution of population, employment and the spatial link between both. The purpose of this chapter is in other words to assess the degree and nature to which both metropolitan dynamics more or less matched their urban counterparts produced by public policies and thus governance systems. In this respect it shows that in the case of Paris weaker demographic and employment growth was met with comparatively higher housing and commercial estate than in the case of London. This epitomizes the dominant French trend of primarily tackling metropolitan developmental issues through urban policies and top-down infrastructure projects for which the central government still plays a dominant impulse role: in other words the supply-side of urban development. Whereas in the London case the primary focus relates to the flexibility and attractiveness of the labour-market, leaving urban policies and planning to the game of market-forces, as an induced requirement of metropolitan development but not a primary driver: in other words the demand-side of urban development. The Chapter eventually depicts the two overall systems of interrelations that produce these outputs and shows how and why they mirror these different beliefs and narratives of urban development. On the one hand the French strong and persistent belief in the unique capacity of the State to generate development and a deeply anchored way of tackling these issues through planning, infrastructure and rationalization of productive processes. On the other hand the British one based on the endogenous decentralized action of structured public and private interests with a minimal and controlled top-down State intervention. All of this unequally affecting our identified dependent variables.

Chapter 4 then consists in a long-term historical comparison between both capital cities in mirror of the construction of their respective State. Dedicated historical comparisons between Paris and London remaining limited, this section is essentially based on the existing historiography on each city and country, as well as on statistical consolidation of long-term population growth. It aims at highlighting path-dependencies concerning the parallel construction and evolution of the relational systems of the two metropolitan regions, as a tripartite interrelation between local, central and economic powers, in mirror of their long-term urban growth. It illustrates that despite older and unique State constructions in Western Europe,

these two systems diverged throughout centuries, affecting their development differently across successive economic and technological cycles. Stronger State centralization in France occurring in Modern Times onwards limited the spatial development and political autonomy of Paris, whose functions had until then always been at least as political as strictly economic, while monumentalizing it through the architectural and urban scripting of successive central powers. In contrast the British State consolidation was eventually more limited to an under-control expression and embodiment of bottom-up and well-structured local and economic interests. This in the long-run maintained London in its role as a primary financial and trade interface between Britain and the world, always keeping its political autonomy, as well as permanently shaped by market-forces and private initiatives. Through the experience of the 18th and 19th century Industrial Revolution, this Chapter eventually shows how the Third Industrial Revolution highly benefits London quite similarly as before, not only by re-affirming its traditional position as a global financial centre, but also in reanimating its long-term relational system of institutionalized local and metropolitan public-private relations. While the Paris and French long-term system appears in fact seemingly more suited to Fordist times, with public-private interrelations between State and business leaders essentially occurring formally and informally at national level, through specific industry lobbies, with the dominant belief in top-down discretionary decisions and policies, rather than negotiated ones.

Chapter 5 carries on this historical analysis for the contemporary timeframe of the thesis by exploring the relational infrastructure of big business leaders in the two cities and comparing the main business associations that theoretically represent them. It is first based on a statistical analysis of the largest forty French and British firms in terms of market capitalization – CAC40 and FTSE 40/100. Through a comparative set of data on both these firms and the members of their board executives, it confirms significant differences in the relational infrastructure of big business leaders in the two capital cities. These variations are then put in perspective with a qualitative analysis of business associations based - beyond the existing literature - on interviews and a basic profile analysis of their board members. This last Chapter shows why and how business associations in the London case appear significantly more structured and representative of the business elites of the city. It overall concludes on a higher intricacy between public and private interests at metropolitan level. Which contributes to more coherent and collectively shared developmental strategies between major public and private actors. While in the French case such intricacies do exist but seem to occur outside these canals,

through formal and informal national networks, industry by industry as in a persistent Fordist organization and vision of development : *in* Paris but not *for* Paris as a dedicated and potentially endogenous metropolitan system.

This comparative research allow us to reflect on economic governance of cities more generally. In both cases – but more clearly epitomized by the London case – it is a form of soft and thus flexible institutionalization of public-private interests and interrelations. It is different from a simply horizontal “*urban regimes*” approach, nor relates to the vertical and purely institutional one limiting itself to the assertion of the complexity of cities. In this research, I state that economic governance is a way to favour and simplify public and private relations though soft-institutionalization processes, thus a way to diminish certain kinds of political transaction costs within cities, but also to exercise – whether intentionally or as a by-product – some kind of path-dependent guidance to the development of a mega-region.

My research hypothesis of “economic governance” as a possible explanatory variable of the various development of these two metropolitan regions, affected by similar forces and otherwise displaying comparable size and development level, cannot be subjected to a parsimonious statistical and econometric proof in a study of just two city-regions. What this thesis thus lacks in terms of high number of cases and systematic large-scale statistical demonstration, it hopefully makes up for through the in-depth historical and qualitative analysis of these two cases, backed up as much as possible by consolidated and comparable statistics.

Chapter 1 (Identifying “Paris” and “London”)

“The sharp division between city and country no longer exists. As the eye stretches towards the hazy periphery one can pick out no definite shapes except those formed by nature: one beholds rather a continuous shapeless mass, here bulging or ridged with buildings, there broken by a patch of green or an unwinding ribbon of concrete. The shapelessness of the whole is reflected in the individual part, and the nearer the centre, the less as a rule can the smaller parts be distinguished”

Lewis Mumford, *The City in History* (1961), p.543

The *Oxford Dictionary of English* (Oxford University Press, 2010) defines a comparison as “a consideration or estimate of the similarities or dissimilarities between two things or people”. In this respect comparing means assessing what two things have in common and highlighting all in which they differ. Comparisons inevitably brings measures, being quantitative – in the shape of data – but even simply qualitative – any form of a judgment or interpretation. Each comparison therefore raises comparability issues. All the more so in our case when dealing with two different countries across almost thirty years. Despite their geographical proximity, France and the United Kingdom are no exception. Both have developed their own methodologies for defining and measuring demographic and socioeconomic phenomena – amongst others - which themselves have evolved autonomously through time. Carrying out such a comparison between Paris and London will mean surpassing as much as possible these fundamental differences.

Still measures are not prior to theories and conceptualization. As highlighted by Lise Bourdeau-Lepage and Jean-Marie Huriot, “*the observation is never conceptually neutral. One never observes a city without a theoretical framework. One never observes a city without a clear definition allowing at least a delineation of its territory. Observing without concepts, without pre-established direction, means observing everything, without order or method, that-is-to-say observing nothing*” [“L’observation n’est jamais conceptuellement neutre. On n’observe pas une ville sans une grille de lecture théorique. On n’observe pas une ville sans avoir une définition claire qui permette au moins de délimiter son territoire. Observer sans concept, sans direction pré-établie, c’est observer tout, sans ordre et sans méthode, c’est-à-dire n’observer rien”] (Huriot & Bourdeau-Lepage, 2009, p. 12).

Measures thus closely depend on how their object is defined. Comparability issues primarily apply to the essence of the “*two things or people*” considered, admittedly at various degrees. Comparing two common objects such as a table does not raise equivalent reflections on whether or not it makes any sense, as for two people for instance. In this respect a “city” is an object easily conceivable by most people but only seemingly so. In times when the majority of human beings henceforth lives in an “urban area”¹ (55%) and when this urbanization trend is expected to go on and reach 68% in 2050 (UN, 2018a) the city has indeed never been closer to being considered the common destiny of human kind. Yet such mass-urbanization, whose extent and rhythm had never been experienced throughout history (Véron, 2006), while raising new waves of global comparisons, has not yet provided us with a commonly shared definition of a city (Cheshire & Freeman, 2006; Freeman, 2004).

Comparing Paris and London thus requires a preliminary reflection on how both cities should be defined and therefore on what a city fundamentally is (A). The choice of a “functional” approach for comparing Paris and London then calls for three parallel scales as well as methodological and empirical implications for future data gathering (B). The justification of this scale harmonization on the one hand relates to the conceptual founding of an urban region, namely the scale at which land and labour prices have strong interactions because they are underpinned by physical-daily exchanges that are intense. This creates a “cliff-like structure” of land and labour prices. On the other hand, such scale harmonization also stems from the fact that the following Chapters of this thesis will raise governance issues. Highlighting equivalent scales for both urban regions also will allow to analyse the way in which governance structures more or less match these equivalent morphological and/or functional equivalent scales. This first Chapter concludes with a first geographical photography of the two cities using the scales chosen and reveals two different spatial structures, calling for further demographic and socioeconomic investigations in a dynamic perspective (Chapter 2).

¹ Considering, as will be stressed, later on a certain definition of a what a « city » is.

A - Understanding the « city » for identifying Paris and London

“I know where I am going when I am going “to the city”. I know when I am “in the city”. But I cannot give a definition of the city that would satisfy everyone” [“Je sais où je vais quand je vais “en ville”. Je sais quand je suis “en ville”. Mais je ne peux pas donner une définition de la ville qui mette tout le monde d’accord”] (Huriot & Bourdeau-Lepage, 2009, p. 16). There are numerous definitions of cities that each bring possible statistical measures. Without aiming at exhaustivity it is still possible to link this diversity to a limited number of visions of urbanization and of the essence of cities.

1) Cities as built-up areas

A city implies an agglomeration

This incapacity of grasping the urban phenomenon despite its omnipresence and apparent obviousness highlights our implicit tendency of delineating a city by what it is not. Roget Brunet and his co-uthors (1992) themselves define the city as an *“agglomeration of buildings and people of some importance, which originally were distinguished from the countryside”* [“Ville: agglomération d’immeubles et de personnes de quelque importance, qui à l’origine se distinguait de la campagne agricole”]. Indeed historically as well as geographically cities appear as fundamentally different from rural areas and natural spaces. Historically on the one hand because they have not always existed. They emerged between five thousands and eight thousand years ago whether early forms of “proto-towns” such as Jericho should be considered as cities (Bairoch, 1985; Mumford, 1961). Even though their permanency and vivid development today shows how much they are far from being circumstantial, their historicity would not make any sense without something fundamentally specific about them.

Geographically different from rural areas on the other hand, and it goes along with their historicity. The locations of the first cities have clearly been identified by archaeologists. The four maps drawn by Leonardo Benevolo (see Appendix p.6) regarding the development of urban civilization between 3500 BC and 1500 BC show that they rose close to rivers and coasts where the first great civilizations were born : the Tigris and the Euphrates, the Sakarya and the South of the Caspian Sea in Mesopotamia and Asia Minor, the Nile and the East coast of the Mediterranean sea, the coasts of the Aegean sea and Southern Spain, and eventually the Indus and the Yangtze and Huang He rivers (Benevolo, 1980). Therefore, at some point in history and some places in geography, after more than 95% of their time on earth as nomads and hunters-

gatherers,¹ human beings settled and started building a more permanent living environment. No doubt that there is no city without sedentary life.

In this respect one of the most intuitive feature about cities is that they are somehow linked with spatial concentration of people and human activities. The city has something to do with density. However grasping it simply through a minimal number of people would be both theoretically problematic and statistically too arbitrary. Theoretically problematic because some cases of high concentration of people cannot be considered as urban areas. “A roman camp could shelter up to 15,000 men but did not constitute a city. Those who formed themselves into one or developed in relation to the establishment of a permanent camp did it next to it and not above it, either because a core already existed, or because crafts or populations in service of the camp settled nearby” [“Un camp romain pouvait compter plus de 15 000 hommes mais ne constituait pas une ville. Celles qui se sont constituées ou développées en relation avec l’établissement d’un camp permanent l’ont fait à son côté et non sur son emplacement, soit qu’un noyau existât déjà, soit que des métiers et populations au services du camp se fussent sédentarisés à proximité”] (Noisette & Vallérugo, 2010, p. 11). Thus “characterizing a community as urban on the basis of size alone is obviously arbitrary” as Louis Wirth already pinpointed in 1938 when debating upon US census definitions: “The situation would be the same if the criterion were 4,000, 8,000, 10,000, 25,000, or 100,000 population, for although in the latter case we might feel that we were more nearly dealing with an urban aggregate than would be the case in communities of lesser size, no definition of urbanism can hope to be completely satisfying as long as numbers are regarded as the sole criterion” (Wirth, 1938, p. 5). A number of people is a necessary but not sufficient condition to the concept of city.

The exact same thing can be said about density, despite its intuitive link to cities. Delineating urban areas through density thresholds is way more problematic than it seems. Whether applying to population or employment, density is an average number brought back to an area and henceforth extremely sensitive to how space units are computed (N. François, Frankhauser, & Pumain, 1995), for instance whether a number of population is brought back to the whole area including other uses than just residential (gross-density) or simply to residential space areas (net density). Vincent Fouchier (1994) has shown the effect of such a choice in the

¹ Which is assuming that *homo sapiens* appeared on earth around 200,000 years ago which was the state of scientific knowledge until the discovery in 2017 of human fossils dated 300,000 years ago in the Djebel Irhoud (Morocco).

case of Paris with 1990 data : depending on the area used for calculation as well as different types of calculation, density in Paris can vary from 55,400 to 3,600 per km². All this without noticing that computing gross or net density would beforehand mean identifying what is “urban” and what is “not”. Furthermore it leads to theoretical and empirical contradictions since “one could easily show that the density of some spaces that are agreed to be named city can be very lower than some very tight villages like small bastides in Southwestern France” [“On montrerait aisément que la densité de certains espaces qu’on s’accorde à nommer ville peut être très inférieure à celle de villages très resserrés come certaines bastides du Sud-Ouest de la France”] (Baumont, Beguin, & Huriot, 1996, p. 10).

Hence the possibility of simply considering a city as a built-up area inscribed within administrative and physical boundaries such as city walls. After all it was originally the case in most urban history as well as in most of its mythologies and utopias. The Greek word *polis* originally meant “enclosure wall”. The latin term *urbs* which means enclosed city derives from *orbis* (the circle). As for the English word *town* which comes from the German *Zaun* meaning hedge, originally meant a circle fence (Kerbrat, 1995). For a long time the city indeed perfectly superimposed its double etymology, both “*what the Romans used to name Urbs (physical territory of the city) and civitas (community of citizens living within it)*” [“ce que les Romains appelaient *Urbs* (territoire physique de la ville) et *civitas* (communauté des citoyens qui l’habitent)”] (Choay, 2006). The “urban” and the “city” in that sense were one and the same, while cities were identified based on a then clear separation from everything it was not.

The medieval city was the typical example of such splitting as many historians have emphasized (Duby, 1980; Le Goff, 1988) : “*the medieval town was completely intermingled with the countryside (...) yet the contrast between town and country was stronger in the middle ages than in most societies and civilizations. Town walls were a frontier, the strongest known in this period. The ramparts, with their towns and gates, separated two worlds. The towns asserted their singularity and individuality by ostentatiously displaying the walls which protected them on their seals. (...) The distinction between townsman and peasant was one of the sharpest dividing lines in medieval society*” (Le Goff, 1988, pp. 293–294).

This distinction no longer exists. In the 17th and 18th centuries some cities indeed start losing their administrative status, while juridical statuses, apart from some exceptions, are standardized at national levels (Baumont et al., 1996; Huriot & Bourdeau-Lepage, 2009). The Industrial Revolution in West-European countries entails massive urban sprawl far beyond

classical administrative and physical frontiers, profoundly changing the materiality of cities (Paquot, 1992). Urban actors step by step overcame city walls to create “faubourgs” and suburbs, which are parts of the city but an increasingly diffuse one with imprecise limits (Kerbrat, 1995; Meuriot, 1919; Wirth, 1938). Which rapidly led to the “*divorce between urbs and civitas*” (Choay, 2006) : “*The advent of the urban unties the old solidarity of urbs and civitas*” [“l’avènement de l’urbain défait l’ancienne solidarité d’*urbs et civitas*”] leading to the “*obliteration of the town and the anachronism of “commune”, “village”, “cité” : as many terms that will only, soon, bring back to history or to meaningful nostalgias*” [“l’effacement de la ville et l’anachronisme de “commune”, “village”, “cité” : autant de termes qui, bientôt, ne renverront plus qu’à l’histoire ou à des nostalgies lourdes de sens”].

The magnificent description of the peripheries of Nantes by Julien Gracq in *The Shape of a city*, mixing his memories as a child and his observation as a writer perfectly illustrates the complexity of delineating and understanding the modern city: “*the image of Nantes taking shape spontaneously in my mind is not a labyrinth of streets in the heart of town from which one occasionally escapes, but rather a badly tied knot of divergent radials along which the urban flow escapes and dissolves into the countryside like electricity travelling from points of distribution. This is perhaps why I am more sensitive than others to the existence of all kinds of boundaries along which the urban fabric tends to fray and unravel, areas neither within nor outside of city limits. In light of the books I have written, there are times I cannot help but think that my fondness for those borderlines areas has increased since then, gained momentum, and grown to the point where, by a game of analogies, it manifests itself in unexpected domains of a more somber tonality: once we start imagining, there is just one step from boundary to frontier*” (Gracq, 1985, pp. 41–42).

In statistical terms this urban sprawl leads to the need for new categories and definitions independent from the administrative frontiers and therefore possibly better suited for comparisons (Davie, 1937; Hoyt, 1943; Park & Burgess, 1925). The city henceforth becomes also understood from a purely geographical point of view. Even though some reflections on socioeconomic criteria arise, morphological ones based on the contiguity of built-up spaces become predominant as a delineating criteria. Not that it was seen as an encompassing definition of the city and its essence but, following urban sprawl, as a rather satisfactory way of estimating their new and quickly evolving size. Every city being an agglomeration of people

and buildings, it could be thus defined morphologically in statistical terms as a contiguous built-up area, even though increasingly independent from administrative borders.

The advent of morphological categories for Paris and London: a longer process in the United Kingdom

The growing concern on the need for new statistical categories and juridical statutes for spaces of urban sprawl takes place in America and Western Europe at the very end of the 19th century. Indeed urban sprawl and demographic growth during the second half of the 19th century is overall quite spectacular and this as well in both Paris and London. According to Paul Bairoch (Bairoch, 1997a) the London population triples from 2.4 million people in 1850 to 7.3 million people in 1913. As for the Paris agglomeration it goes from 1.3 million people in 1851 to 2.7 million people in 1876 and to 5 million people in 1921 (Damette & Scheibling, 2011, p. 164). Various attempts of accompanying urbanization through successive annexations occur all along the 19th century. The Baron Haussmann extends Paris in 1860 by annexing the former four suburban “communes” of Belleville, Grenelle, Vaugirard and La Villette, parts of Aubervilliers, Bagnollet, Gentilly, Issy, Ivry, Montrouge, Neuilly, Pantin, Le-Pré-Saint-Gervais, Vincennes, Saint-Ouen and Vanves, and dividing seven other communes with other ones: Auteuil, Batignolles-Monceau, Bercy, La Chapelle, Charronne, Montmartre and Passy. As for London, scales considering the whole built-up area started to be used by police services in 1829 and the Metropolitan Board of Works in 1855, before the creation in 1888 of the London County and in 1889 of the *London County Council*. Yet these respective new administrative structures could not follow the rhythm of urban sprawl and purely geographical and statistical concepts based on the urban form had to be created in both countries.

This leads to the first attempts for considering the *agglomeration* as a good criterion for encompassing and delineating the city, which however does not go without statistical debates and challenges. In 1877 the French geographer Elisée Reclus superimposes two maps of Paris and London (see Appendix p.7) and observes that the British capital is more spread-out but that these representations underestimate the area covered by the French capital – because of a whole range of dwellings that spread across the city boundaries (Bretagnolle, 2009, p. 20). It is then the work of two statisticians that epitomises the will for systematizing measures and definitions of cities for comparative purposes: Paul Meuriot and Adna Weber. In his thesis *Des agglomérations urbaines de l'Europe contemporaine : essai sur les causes, les conditions, les conséquences de leur développement*, Paul Meuriot thus asserts that «*for a population to be*

qualified as urban, it cannot be enough that it reaches a certain amount, even high ; the true feature of an urban population must be the agglomeration, namely the reunion on a relatively narrow space of a more or less considerable population » [« Pour qu'une population soit urbaine, il ne peut donc suffire qu'elle atteigne un certain chiffre, même élevé : le véritable indice d'une population urbaine doit être l'*agglomération*, c'est-à-dire la réunion sur un espace relativement restreint d'une population plus ou moins considérable »] (Meuriot, 1897). He then argues in favour of the built-up contiguity criterion, with the possibility of adding the principle of a fixed-length radius, supporting the idea that the group thereby delimited forms a city in the sense that « *the perpetual movement that pushes a larger and larger part of the population outside the centre, but that their work brings them back in, establishing between the various regions of the agglomeration a living link and a solidarity that « parisianizes » the banlieue »* [« le mouvement perpétuel qui porte une partie de plus en plus considérable de la population hors du centre, mais que son travail y appelle, établit entre les régions diverses de l'*agglomération* un trait d'union vivant et une solidarité qui « parisianise » la banlieue »] (Meuriot, 1919). At the same time the work of Adna Weber in the United States in the late 19th century and his pioneer essay *The Growth of Cities in the Nineteenth Century. A Study in Statistics* (1899) contributes to raise statistical propositions for measuring these new forms of built-up areas, in this case through a minimum density threshold: « *One method of studying the spatial relations of men and communities to one another is by measuring the density of population ; the more human beings to the square mile, the closer together must be their habitations »* (A. Weber, 1899, p. 4). These pioneer works, amongst many others by numerous geographers throughout the 20th century, illustrate how slow and difficult the process of coming-up with new statistical categories and notions – as well as empirical tools – was for assessing the new shapes taken by industrial cities.

Hence that this process took different steps and rhythms in our two countries. In France the notion of “commune urbaine” created in 1846 therefore quickly becomes obsolete due to the development of suburban “banlieues”. It harked back to the French Revolution, but despite the fact that the threshold of 2,000 inhabitants for distinguishing a “ville” and a “bourg” was back then already obsolete, the development of new statistical tools was still to take a century. In 1954 the notion of “agglomeration multi-communale” created by INSEE is not yet based on the contiguity of built-up areas (Bretagnolle, 2009, p. 30). It is the pioneer work by Jean Bastié and Marcel Brichler for Paris in 1958-60 on Paris which first uses the built-up contiguity

principle for the delineation of Paris (Bastié & Brichler, 1960), as shown in the Appendix (p.8). In 1962 the contiguity criteria is eventually adopted for France, except for Paris for which it is only applied in 1968 onwards. It thus took a long time for the “unité urbaine” or “agglomeration” as a contiguous built-up area is adopted in France and especially for Paris (Le Gléau, Pumain, & Saint-Julien, 1996). The INSEE today defines the French “unités urbaines” or “agglomerations” in three steps. First by identifying a built-up area of at least 2,000 people, which still today remains the French threshold for a « city ». Then through an adjusting at communal level: the communes that have at least 50% of their population within the contiguous built-up area are attached to the whole « unité urbaine » or « agglomération » (INSEE). Eventually, the whole area formed is named “unite urbaine” or “agglomeration” of the given central built-up area.¹

As for London, despite the early and massive urban sprawl in Britain and especially its capital city, morphological approaches to the city took even longer, being first developed in the 1981 census onwards - unlike as we will see the functional definition which was adopted especially early in the 1960s onwards by British statisticians. It could be seen as quite a paradox when knowing – as analysed deeply in Chapter 4 – how early, multipolar and massive the British Industrial Revolution was and thus its materialization in terms of urban sprawl.² In spite of the higher need for new statistical categories it could have produced, the United Kingdom developed various urban statuses throughout this very 19th century: *municipal borough*, granted by the Monarchy in the Middle-Ages (Marx, 1993), *urban sanitary districts*, created in 1875 and *County boroughs*, created for 61 localities of 50,000 inhabitants or more (Pinol & Walter, 2012). No real attempts for developing and harmonizing statistical categories for urban morphology is accounted for back then, despite the unique evolution experienced by London in this respect, as described in 1879 by Elisée Reclus: “*So large is the outstanding agglomeration that one cannot agree on how extended it should be considered. Where does the sea of homes to which the conventional term of London should be apply stop? [...] Officially there are no less than seventeen towns of London, each distinct through the centre, the radius and the outline*” [“*Si grande est la prodigieuse agglomeration, que l’on ne peut même s’accorder sur l’étendue qu’il faut lui attribuer. Où s’arrête la mer de maisons à laquelle doit être appliqué*

¹ More detailed information on the methodology can be found at the following [link](#).

² The historian Paul Bairoch speaks of nine cities with more than 400,000 inhabitants in 1913, which is a unique situation in Western Europe (Bairoch, 1997a, p. 227).

le terme conventionnel de Londres, toutes distinctes par le centre, le rayon, les contours”] (Reclus, 1879, p.499).

The Office for National Statistics (ONS) only starts to apply morphological definitions in the 1981 census through the notion of “urban area” (sometimes but more rarely named “urban agglomeration”), common with the American one.¹ Chris Law and Brian Robson had tried to compute population data for London’s built-up area in their 1967 article largely revisited by Harry Smith and Robert Bennett (Law, 1967; H. Smith & Bennett, 2017), but this had not resulted in any direct applications by British statistical agencies. One of the probable reasons for such a late process is that since London had been extended in 1965 to its actual limits – with the creation of the Greater London Council – the administrative boundaries coincided quite well with the morphological urban area, all this thanks to the Green Belt policy carried out after World War II which limited its contiguous urban extension (Longley, Batty, Shepherd, Sadler, & Longley, 1992). Generally as the famous British urban planner Sir Peter Hall asserts “*London has never taken kindly attempts at delimitation, whether by people who wanted to govern it, or by those which wanted to fix it statistically*” (P. Hall, 1989). And Paul Cheshire and Galina Gornostaeva adding that “*the agglomeration definition does not produce comparable complete definitions of cities when applied to Britain or to the Netherlands. There, land use policies have deliberately prevented contiguous urbanization*”. Hence that “*the British seem to be prepared simply to accept current political / administrative definitions, although these have been quite remarkably unstable in the past 30 years and especially so in the case of London*” (Cheshire and Gomostaeva, 2001, p.179). Generally speaking, since 1981 the ONS defines the “urban area” by using a 'bricks and mortar' approach (and not the existing “communes” like INSEE), which identifies areas of urban land use of 20 hectares or more with 1,500 or more residents. The same adjoining methodology is then used.

The recent trend for harmonization of urban areas

Thus mass-urbanization in the 19th century entailed a divorce between morphology and administration, which slowly generated a need for new categories based on the contiguity of built-up areas: the French “agglomération” or “unité urbaine” and the British (and American)

¹ In this respect despite apparent and linguistic similarities, the British and American notion of « urban area » has nothing to do with the French “aire urbaine” which is as we will see a functional approach to cities. The “urban area” is in fact an equivalent of the French notions of “agglomération” or “unité urbaine”.

“urban area”, which are still subject to slight statistical differences. Since the mid-19th centuries attempts for internally harmonizing these statistical concepts occurred without success - such as in the 1860 International Congress of Statistics (Bretagnolle, 2009; Pinol & Walter, 2012). The political and economic integration of nations during the second half of the 20th century step by step favours academic and statistical cooperation that leads to the growing harmonization of concepts and data. In this respect the remarkable and pioneer work in the early 1990s onwards by François Moriconi-Ebrard and his database Geopolis is worth mentioning (Moriconi-Ebrard, 1994), as well as its successive updates (Chatel & Moriconi-Ebrard, 2018). The criterion of 200 meters – first adopted in the mid-20th century by France - is today widely used as the maximum threshold for urban contiguity, even though harmonization and statistical update of data is still an ongoing process, mostly regarding developing countries.

Nowadays “urban areas” or “agglomeration” remains the only definition of the city allowing rather satisfactory worldwide comparisons. It is thus the one used by the United Nations in its *World Urbanization Prospect*, published by the Department of Economic and Social Affairs – not without important data processing for better comparability (UN, 2018b). As shown in the data presented in the Appendix (p.9, 10 and 11) Paris and London in 1950 were part of the biggest agglomerations on the planet. With 8.3 million people London was the third (behind New York with 12.3 million people and Tokyo with 11,2 million people) and Paris was the fifth with 6.2 million people. In 2017, Paris (10.8 million people) and London (8.9 million people) are now just respectively the 28th and 37th agglomerations worldwide. According to the UN projections in 2035, Paris and London as urban areas will respectively house 12 and 10.5 million people, and only form the 37th and 44th urban agglomerations of the world. Which shows how independent from sole demographic criteria the global economic weight of cities has become.

Moreover, morphological approach to cities, while increasingly efficient for international comparisons, does not spatially reflect the city as a socioeconomic system. In other words there is a wider reality of cities that emerged during the second half of the 20th century. And in order to understand it, one has to deeper investigate the economic essence of cities and urbanization processes. As rightly stressed by Antoine Bailly, Catherine Baumont, Jean-Marie Huriot and Alain Sallez: “*What is the city? When one says that it was an agglomeration of population and activities, one does not answer the question. One describes an appearance (...) one does not say anything of the city, of the way it appears, grows and declines, of what happens and can*

happen within, of its functioning patterns, of the way people live, work and enjoy themselves there” [“Qu’est-ce que la ville ? Quand on a dit que c’était une agglomération de population et d’activités, on n’a pas répondu. On a décrit une apparence (...) on n’a rien dit de la ville, de la manière dont elle apparaît, croît et décroît, de ce qui s’y passe et peut s’y passer, de ses modes de fonctionnement, de la façon dont on y vit, travaille ou se divertit”]. (Bailly, Baumont, Huriot, & Sallez, 1995). To the divorce between morphology and institutions (between “urbs” and “civitas”) the 20th century has superimposed another: the disjunction between morphology and functionality. From now on the city indeed overcomes its morphology, which calls for additional categories and means that that the world in fact became ‘urban’ even before 2007 – given that this statement by the United Nations was solely based on urban agglomerations.

2) Functional approaches to cities

From morphology to functionality: the essence of cities and urbanization

In order to understand the disjunction between the morphological size of cities and their socioeconomic reality, one needs to deeply understand the economic essence of cities. Various aspects for the origins of cities have been mentioned such as religious needs (Racine, 1993) or military purposes (Huriot & Thisse, 2000). Yet numerous economic, historical and even archeologic works seemingly show that such functions derive from an inevitably economic one. Leonardo Benevolo’s map of the first cities and development of the urban civilization (Appendix p.6) shows that they developed on the most fertile lands, arguing in favour of an intrinsic link between the birth of cities and the intensification of agriculture (Bairoch, 1985; Hohenberg & Lees, 1985). The advent of an agricultural surplus indeed allows the development of a new level of socio-spatial division of labour, of which the city appears neither the cause nor the effect but the matrix. Whether the intensification of agriculture was the cause or consequence of the birth of cities has long been debated. While Bairoch (1985, 1999) as well as Hohenberg and Hees (1992) saw the agricultural surplus as the cause for the advent of cities, Jane Jacobs suggested the opposite in her famous 1969 essay on the *Economies of cities* (Jacobs, 1969), arguing that agricultural productivity relies on technological breakthroughs coming from city life and activity. This hypothesis has been criticized by Paul Bairoch (1985) and then Gilles Duranton (1999), the latter asserting that Jane Jacobs’ views on agriculture suffer from a contemporary bias. Whether development processes are based on mutual benefits and circular causality between urban activities and agricultural development is undoubtable. Yet in the very beginning, Duranton argues, if the development of cities had been the cause of agricultural

surplus, these productivity gains would have had to be extremely quick to feed the urban population. In spite of the caution that needs to be exercised when it comes to understanding these processes that hark back around 5,000 years, the dominant view of agricultural surplus as the essence of cities seems more plausible.

Though extremely interesting in a genealogy of the urban phenomenon this “chicken and the egg” debate does not leave any doubt on the economic essence of cities, explaining its primary role in major technological economic change as mentioned in the Introduction, all of the other functions – political, religious or military for instance – deriving from it. Cities thus rely on the economies of agglomeration (Fujita & Thisse, 2002; Huriot & Thisse, 2000), and especially on both increasing returns to scale and externalities, which will be described more precisely in Chapter 2. Hence that the essence of cities is the maximization of these agglomeration economies through the spatial, economic and human interaction their favour, which explains that the form and size taken by cities in history is deeply linked to the state of transport and communication technologies. In the sense that inter- as well as intra-urban transports have for a long time been insufficient for allowing mass-urbanization until Industrial times. Before the incredible breakthroughs in mass-transport eventually ends what Paul Bairoch names “*the tyranny of distance*” (Bairoch, 1997b).

Not only is every city an agglomeration, but cities intrinsically rely on agglomeration as a process. In this respect the French language uses the word “agglomeration” both as a process and as an object – the result of that process. Whereas the English language mostly uses the term “urban area” as the object defined as the contiguous built-up area and mainly uses the word agglomeration as the process leading to their genesis and development. All this allows us to understand why cities throughout the 20th century overcome their built-up form: their essence is not morphologic, but socioeconomic or functional. Both simply matched spatially until then. To the divorce between *urbs* and *civitas*, between morphology and administrative and political identities as admirably described by François Choay, the twentieth century and the generalization of cars and expanding mobility transportation added a second one between morphology and functionality. The city henceforth works at a larger scale than its urban area and new categories have to be built to understand this phenomenon: functional ones, based on the measure of socioeconomic flows.

The birth of “metropolitan” approaches and “functional” categories in the United States based on commuting patterns

The first demands for new “functional” measures of cities arise in the United States because of the early generalization of automobile and thus the spread of suburban neighbourhoods which happens as soon as the 1920s – against the 1950s onwards in Western Europe (Bretagnolle, 2015, p. 20). Unlike the centralization effect of railroad transportations, the diffusion of cars generates a centrifugal effect on demographic settlements, already described by Roderick McKenzie in 1933, one of the founding fathers of the Chicago School of urban sociology (McKenzie, 1933, p. 187). It becomes henceforth increasingly difficult to distinguish between “urban” and “rural” parts of the territory on the sole basis of morphology and land-use: *“The census classifies as rural persons living just beyond the confines of a large city, provided that they are not living in incorporated territory having the designated minimum of inhabitants to be classified as urban, although such persons may commute daily to the city for work and social activity. Obviously, therefore, the urban-rural dichotomy is becoming of decreasing significance”* (McKenzie, 1933, p. 25). This idea that “commuting” – moving on a daily basis mostly between home and work – defines the fundamental purpose of a city, as an object based on daily socioeconomic flows, appear here. Which leads the sociologist to speak of a “metropolitan community”, which is neither a political nor a morphologic definition but a notion based on social interrelations: *“The procedure adopted thus far in establishing such districts has been based on the factor of density. Although this is a marked advance over the use of the political area, it cannot be regarded as entirely satisfactory. The modern regional community, conceived in functional terms, may bear but slight relations to the factor of density”* (McKenzie, 1933, p. 49). Because of the absence of commuting data in the American census back in the 1930s, the sociologist suggested the use of both the geography for the diffusion of daily newspapers from Chicago, and a maximum threshold for commuting time to the city, all of this for understanding the interdependencies between the central city and the satellite towns. Broadly speaking, the advent of the adjective “metropolitan” in this context and future analyses and statistical categories, underlines the will for encompassing the area of socioeconomic

influence of a city.¹ When it comes to functional approaches, the term “metropolitan” thus tends to replace the sole term “urban” in the analyses.

In 1949 a first definition of a “Standard Metropolitan Area” (SMA) is proposed by the Census Bureau for all the country. The principle still consists in identifying a central urban core – formed here by a *county* or a group of contiguous *counties* – with one or more municipalities of at least 50,000 inhabitants and adding other ones which are considered part of its area of socioeconomic influence. The two main criteria are commuting data, even though they only become exhaustive and reliable in the 1960s onwards (Rosenwaive, 1970), and phone exchanges, which will be abandoned in 1958 with the adoption of Standard Metropolitan Statistical Areas). The conceptualization and standardization of the “functional urban area” based on commuting flows owes to the pioneer works throughout the 1950s of Fred Ullman, William Garrison and Brian J.L. Berry, from the Universities of Washington and Chicago. Following the 1949 by Walter Isard on the evolution of the commercial offer in the different centralities of the main American cities under the effect of motorization, in which he had highlighted a threshold a 20 miles as the hinterland of the central cities (Isard & Whitney, 1949), Brian Berry establishes a hierarchy a central places of Seattle in a famous 1960 article (Berry, 1960). By analysing the evolution of central places, populations as well as land-prices in the Seattle region, he concludes on the relevance of this 20-mile threshold as the “*commuting range of the metropolis by road*” (Bretagnolle, 2015, p. 24). Throughout the 1960s a “functional economic area” is conceptualized and Brian Berry, in a 1968 report, recommends the use of morphological urban areas as a central core and the commuting patterns as the only integration criteria with a 15% threshold. In other words statistical areas in which at least 15% of the occupied active population work in the central core are considered as part of the “functional economic area” (Berry, Goheen, & Goldstein, 1968). This methodology is eventually applied in 1983 by the Census Bureau who replaces the Standard Metropolitan Statistical Area by the Metropolitan Statistical Area.

¹ Let us remember that the word « metropolis » etymologically derives from the Greek words *meter* (mother) and *polis* (city). This “mother-city” suggests an idea of a city as a subject exercising an influence or an authority – whether positive or negative – on a dedicated environment.

The advent of functional categories for identifying Paris and London: a late process in France

While the contiguous built-up approach was developed earlier in France, the “functional” one – based on the similar notion of “functional urban region” – penetrates academic research and statistical agencies earlier in the United Kingdom, mostly thanks to the British geographer Sir Peter Hall and his colleagues. In the 1970s onwards they define a “Standard Metropolitan Labour Area” for England, with a centre defined as contiguous built-up municipalities and a density threshold (5 person per hectare) or a minimal number of jobs (20,000), surrounded by « ring » with the same threshold of 15% as in the United States (P. Hall, 1974; P. Hall, Gracey, Drewett, & Thomas, 1973). Sir Peter Hall undoubtedly contributed to the awareness of the inconsistency of the then British categories, since he rightly attributed the loss of population of London in the 1951 census to the too-narrow approach of London and the “suburbanization” process, leading him as we will mention in the second part of this Chapter to the conceptualization of the “Greater South East” (P. Hall, 1988; P. Hall & Hay, 1980). In statistical terms this leads to the development in the 1980s onwards by the Office for National Statistics of the Travel-to-Work Area (TTWA) in England (see the London TTWA in the Appendix p.24). The approach is slightly different, since the criteria used for defining TTWAs is that at least 75% of an area's resident workforce work in the area and at least 75% of the people who work in the area also live in the area (Coombes, 2015).

Conversely, while France adopted morphological categories earlier than the United Kingdom, it took almost thirty years more to establish a statistical category based on commuting patterns. The Zone de Peuplement Industriel et Urbain (ZPIU) had been defined officially by the statistician Paul Le Fillârte in 1959 when the “agglomerations” were reconsidered in the 1962 census: all the “communes” part of an “unité urbaine”, a part of the industrial communes and a part of what was named the “communes-dortoirs” (namely purely residential neighbourhoods). But the main difference with the approaches that were being developed in the US or in the UK is that the ZPIU only considered commuting criteria as the part of the active population working outside its living “communes” – thus without taking the place of work and therefore actual flows into account (Bretagnolle, 2015, pp. 29–30). Which significantly reduced the consistency of the ZPIU for grasping the functional reality of French cities - 96% of the total population in the mid-1990s being for instance part of a ZPIU.

The INSEE eventually defines the concept of « aire urbaine » which replaces the ZPIU in 1996, using an iterative methodology (Julien, 2007). First the identification of a « pôle urbain » of at least 5,000 jobs. Then the integration of all the “communes” with at least 40% of their occupied active population working in the central « pôle ». Eventually a third step: the integration of all the « communes » that have 40% of their occupied active population working either in the central « pôle » or in another communes of this hinterland (qualified as “couronne périurbaine”). The “aire urbaine” therefore has both a different threshold (40%) and slightly different methodology - an iterative one in three steps not simply based on the measure of commuting from the hinterland to a core. This particularity is explained by the high concentration of population across some parts of the French Atlantic and Mediterranean coasts, for which the two-step methodology of the “functional urban area” with a 10 or 15% threshold and a centre-periphery approach was inadequate for isolating urban areas – unlike the observed effect of also considering movements between areas of the hinterland (“couronne périurbaine”). For the Paris region however, using the INSEE iterative methodology and the 40% threshold, or the two-step one with 10 or 15% as a threshold, provides very similar results (see Appendix p.20-21), which is understandable given the spatial and socioeconomic structure of such large metropolitan regions and the predominance of centre-periphery commuting patterns. As for the late development of functional approaches to cities in France, it might be explained by the weight of rural issues and late-urbanization (Robic, 1998). Broadly speaking, despite the persistence of national differences, attempts for harmonizing functional definitions of cities develop in the 1990s onwards, while commuting flows are increasingly commonly used as the main criteria for assessing and synthesizing socioeconomic functionality. Let us now present these attempts and analyse why, despite some criticisms, commuting data – and thus the “functional urban region” approach – remains the most relevant.

Harmonizing trends for functional scales at European and OECD levels

The birth of functional categories for defining and analysing metropolitan areas throughout the second half of the 20th century was also supplemented by programmes aiming at harmonizing functional definitions of cities for comparability purposes. The first one being the ESPON programme by the European Union created in 2002 which finances applied research projects – within the larger policy of FEDER funds - and develops harmonized statistical tools at European level related to territorial planning. On this second dimension, one of the main purposes of this programme is to create a common database on European functional urban areas

(Guérois, Bretagnolle, Mathian, & Pavard, 2014), which is today commonly used by Eurostat for providing demographic and socioeconomic comparative data at regional and urban level.

Indeed the main concern for such statistical harmonization is not so much to develop a common definition of functional urban areas *per se* but being able to compute additional socioeconomic indicators applied to urban systems such as population, employment, output and thus productivity ratios. As shown in the comparative empirical work by Alan Freeman, even though these ratios are mostly sensitive to how indicators are defined from one country to another (what he names “the supplier effect”), part of the observed productivity rates and growths between European functional urban regions as defined by national statistical agencies stem from slight spatial differences in city delineation: a smaller but unneglectable “geographical effect” (Freeman, 2004, pp. 9–10). Therefore the development of European integration and common territorial development tools, in an urbanizing world, mirrors the need for suitable databases on functional urban regions for wider comparative measures and analyses.

Similar concerns brought the OECD – through its Territorial Development Policy Committee and its Working Parties - to develop a “metropolitan database” based on a harmonization of functional urban areas and the gathering of various comparative data such as population, Gross-Domestic Product, employment and unemployment, morphology (surface, density and sprawl indexes), pollution, innovation or indexes of administrative fragmentation. This program relies on the same founding principles as the ones behind the conceptualization of the functional urban areas: a definition of an urban core and the delineation of an hinterland based not on territorial morphology but on socioeconomic exchanges – commuting flows as well as what Bryan Berry and Sir Peter Hall had already recommended (Brezzi, Mario, Rosina, & Sanchez-Serra, 2012; OECD, 2013a, 2013b). First, core municipalities are identified using gridded population – ignoring administrative frontiers – to form “urban high-density clusters”: contiguous grid cells of 1km² with a density of at least 1,500 inhabitants per km².¹ Then, urban hinterlands of these cores are identified and added to form the whole “metropolitan area”. They are defined as all municipalities with at least 15% of their employed residents working in the

¹ A specific rule for « gilled gaps » is applied for additional adjoining of gridded cells. Moreover, a lower threshold of 1,000 people for km² is applied to Canada and the United States whose development of metropolitan areas happened in a less compact way. For the detailed methodology, see the following [link](#).

urban core, against 10% in the classic definition of the functional urban area, which results in slightly smaller metropolitan areas in the OECD version.¹

Population and morphological data from the OECD “metropolitan database” for France and the United Kingdom are available in the Appendix (p.12-14). Taken as a complementary measure of the ranking of French and British agglomerations, these tables show that when considering functional scales the French urban system is even more macrocephalic than the British one. Paris and London both appear as the head of their urban system, respectively sheltering 12 and 11.8 million people in 2015 (against 11 and 10.1 in 2001). However the three next metropolitan areas are British: Manchester (3.3 million people in 2015), West Midlands urban areas (2.9)² and Leeds (2.6). Next we find the first French city, Lyon (1.9), and then Glasgow (1.8) and three main French regional metropolises: Marseille (1.7), Lille (1.3)³ and Toulouse (1.3). Thus the functional approach to cities highlights the even higher macrocephalic structure of the French urban system than the British one, which is an important feature that will be analysed in the next Chapter.

Overall the development of functional approaches to cities throughout the twentieth century, within the Fordist economy and the suburbanization resulting in the generalization of cars, has been widened and improved during the last thirty years for better comparability between cities at European and even OECD levels. Yet criticisms are sometimes made regarding the relevance of such definitions based on commuting patterns for assessing the new wave of metropolization in the context of the Third Industrial Revolution. Given the fact that each macroeconomic and technological cycle from the last two centuries have widely transformed the extent but also the internal structure of cities, each generated the need for new statistical categories. This interrogation is therefore relevant when it comes to the dotcom boom

¹ However this gap is marginal. As shown by Alan Freeman and Paul Cheshire the size of the functional urban region is more affected by changing the criteria used to define the core than the threshold chosen for the delineation of the hinterland (Cheshire & Freeman, 2006).

² The West Midlands urban areas relate to the metropolitan area functioning around the cities of Birmingham and Wolverhampton in the region of West Midlands.

³ Lille remains a specific case as a transborder city. Whether it is by INSEE, Eurostat or OECD it is only computed regarding its French part (Lille-Roubaix-Tourcoing). Yet it is known that its metropolitan region goes beyond the Belgium border to reach Kortrijk and Tournai. The whole metropolitan region is in fact more populated but remains more difficult to measure precisely given the heterogeneity of national sources.

and the possible new approaches to cities it could produce. This is what eventually needs to be addressed in this first part.

Beyond the functional urban region? On the remaining relevance of commuting in Post-Fordist metropolitan areas

Before presenting the methodological and statistical approaches chosen for the comparison between Paris and London, the aim of this last sub-part is to question the relevance of statistical definitions based on a larger socioeconomic reality of cities than the sole functional urban area, and eventually to witness the relevance of considering commuting patterns as the main encompassing criteria for the identification of cities in a comparative perspective.

In his 1915 pioneer book *Cities in evolution*, the British geographer Sir Patrick Geddes first uses the word *conurbation* to designate an array of urban cores whose continuously spreading-out suburbs have eventually met, to become a continuous multipolar urban sprawl. Instead of relying on maps and plans, he suggests that cities should be experienced and understood through an aerial view. He describes the rise of an “industrial conurbation” along rail-networks in the shape of an “*octopus*” (Geddes, 1915, p.9), whose tentacles reach other neighbour urban areas. In his essay he describes conurbations in England (London, Liverpool, Manchester, Sheffield...), France (Paris, the Riviera), Germany (Berlin, the Ruhr) and the United States (Pittsburgh, Chicago, Boston-New York). About the US case he already mentions the future rise of a 500 mile-long “*cityline*” along the Atlantic coast (P. Hall, 1988). Almost 50 years later, it is the very same urban concentration – from Boston to Washington - that the French geographer Jean Gottman observes when he comes up with the notion of “megalopolis” in his 1961 essay *Megalopolis: The Urbanized Northeastern Seaboard of the United States*. Again in a more descriptive approach than a purely statistical one based on precise definition criteria. During the next decades additional work have widened this analysis, noticing similar developments around London (Mogridge & Parr, 1997) and other areas in South-East Asia such as the Pearl River Delta and Yangtze River Delta in China, as well as the Tokaido (Tokyo-Osaka) corridor in Japan (McGee & Robinson, 1995; Xu & Li, 1990).

These analyses on specific cases have led to the generalization of the concept of “polycentric mega-city region (MCR)”,¹ for which one of the stronger systemization and

¹ Many other terms are often still used such as or « conurbation » or « megaregions » (Harrison & Hoyler, 2015; Pain, 2017).

comparative research was led by the European POLYNET research program. Gathering eight research teams under the leadership of Sir Peter Hall and Kathy Pain in London, this collective work led to the analysis and comparison of eight such regions,¹ all of this work being available in the 2012 book *The Polycentric metropolis: Learning from mega-city regions in Europe* (P. Hall & Pain, 2012). These MCRs are “*a new form: a series of anything between 10 and 50 cities and towns, physically separate but functionally networked, clustered around one or more larger central cities, and drawing enormous economic strength from a new functional division of labour. These places exist both as separate entities, in which most residents work locally and most workers are local residents, and as parts of a wider functional urban region (FUR) connected by dense flows of people and information carried along motorways, high-speed rail lines and telecommunications cable: the “space of flows” (...) with major implications for sustainable development (...). It is no exaggeration that this is the emerging urban form at the start of the 21st century*” (P. Hall & Pain, 2012, p. 3). The POLYNET approach based on commuting flows between different urban regions has also been completed by numerous works aiming at measuring urban and socioeconomic integration at larger scales based on new indicators such as phone exchanges, financial flows or inter-firm production cycles. The 2015 book by John Harrison and Michael Hoyler, *Megaregions. Globalization’s New Urban Form?*, gives us many empirical examples of these possibilities (Harrison & Hoyler, 2015).

When it comes to Paris and London, it even led to the idea that both capital cities, because of the increasing intensity of human exchanges through the Eurostar – as well as other financial and economic flows between the two cities – could somewhat be considered as a “single metropolis”, named a “PAR-LON mega-region” (Harrison & Hoyler, 2015, p. 8). Which for instance led the Mayor of Paris Anne Hidalgo to even claim in 2014 in an open letter to Boris Johnson: “*London is a suburb of Paris and Paris is a suburb of London...from Tokyo, Shanghai, Lagos or Rio – cities that will have more than 20 million inhabitants by 2030 – Greater London and Greater Paris, with a confined population of 20 million, may well be seen as a single conurbation. Indeed, in this not-too-distant future, London and Paris together could be seen from Asia, Latin America or Africa as (...) possessing a critical mass of resources to reckon with. That’s if we find a way to collaborate effectively*” (Harrison & Hoyler, 2015, p. 8). Putting aside the political dimension of this assertion and letter, and the possible opportunities for

¹ South East England, the Randstad (The Netherlands), Central Belgium, RhineRuhr, Rhine-Main, the European Metropolitan Region (EMR) North Switzerland, the Paris Region and Greater Dublin.

developing common and complementary policies between the two metropolises, the idea that Paris and London could increasingly be considered as a same functional urban space remains highly questionable.

More broadly, the question is indeed the extent to which these descriptive works on such networks of various urban regions effectively relate to a new form taken by cities, beyond the former functional urban region. In other words can we consider such "megaregions"¹ as the new urban form of the Post-Fordist economy, in the same sense that the functional urban region was the new form taken by cities in Fordist times as an overcoming of the sole urban agglomeration ? Our answer is no. The fact that worldwide urbanization and metropolization generates larger and larger urban concentrations and increases exchanges between various functional urban regions is one thing, empirically true. But considering that these larger poly-urban objects form single metropolises does not make much sense in socioeconomic terms. The interdependences are indeed weaker and, to push the previous metaphor further, there is a pretty big cliff between the first two scales – the functional urban region as a whole - and this third scale.

All this stems from the fact that commuting patterns as a delineating criteria remain the most relevant. In a Fordist economy it was indeed primarily considered as a good measure of observed commuting, in a context where a vast majority of people had a single place of work. Indeed the Third Revolution and the increase of financial and business services, beyond enhancing immaterial exchanges and communications, probably rendered commuting patterns more complex and less routine for many workers. But this growing complexity does not change the fact that people still have a main place of residence and a main place of work – as registered in censuses. At no point do we assert that they everyday commute between both. But the whole functional area defined still forms a territorial labour-market with all the socioeconomic implications that are observed at metropolitan level – which will be analysed in Chapter 2. The Third industrial Revolution has not changed the fact that the functional urban region remains the best approach for cities as systems of daily interrelations. As will be further analysed in the next Chapter, it changed the internal demographical and socioeconomic structure of these

¹ Given the array of concepts and the lack of statistical definitions for such objects I will from now on designate it by the generic term of « megaregion ».

objects, but not the relevance of commuting as the most complete indicator for identifying the scale to which metropolises daily work.

As Frédéric Gilli rightly pinpoints, “*commuting data is an essential tool for assessing the structure of space. Spatial transcription of the areas of the labour market, they are among the most reliable indicators of the frontiers assessed by economic actors (companies or households). While urban spaces spread more and more and their physical limits become more blurred, commuting patterns depict spaces of living and allow the observation of privileged relationships between places. On top of that, their asset relies on their quick reaction to changes within the spatial organization, which is crucial when studying zones evolving very quickly. Eventually, stemming from of the inadequacy between job locations and living locations, transport networks and urban forms (spreading or concentration), they highlight the main tendencies of the organization of a space, even though they are clearly not enough to apprehend its whole functioning*” (Gilli, 2002, p.290)¹. The functional urban region and its two components – core and hinterland – therefore mirrors the scale to which land and labour prices have strong interactions, being underpinned by intense physical-daily exchanges. These daily socioeconomic exchanges create visible thresholds in terms of land and labour prices, a somewhat "cliff like structure".

Thus our comparison for Paris and London will primarily rely on the statistical approach of two functional urban regions (FUR), with a distinction between their economic cores and the whole FUR – the economic core plus its hinterland. Given the numerous empirical work on megaregional scales, which insist on the increasing importance of larger polycentric or “megaregional” scale, a third layer will be added based on the existing literature on each of the two capital regions. Not because we assert that these “megaregions” are a functional scale for

¹ « *Les déplacements de travail sont une donnée essentielle de la structuration de l'espace. Transcription spatiale des aires de marché du travail, ils sont un des indicateurs les plus fiables des frontières reconnues ressenties par les acteurs économiques (entreprises ou ménages). Alors que les espaces urbains s'étendent de plus en plus et que leurs limites physiques deviennent plus floues, les déplacements domicile-travail esquissent des espaces de vie et permettent d'observer des relations privilégiées entre des lieux. Ils ont de plus l'avantage de réagir des vite aux changements dans l'organisation spatiale, ce qui est primordial lorsque l'on étudie des zones en évolution très rapide. Enfin, résultant de l'inadéquation entre les lieux de travail et les lieux de résidence, les réseaux de transport et les formes urbaines (étalement ou concentration), ils permettent de déceler les grandes lignes de l'organisation d'un espace même s'ils ne suffisent évidemment pas pour appréhender l'ensemble de son fonctionnement* ».

Paris and London, but more as a test for further understanding of the respective dynamics of French and British urban systems as a whole.

B - Three comparative scales for understanding “Paris” and “London”

NUTS 3 and GEMACA : a lowest-bias methodology

The previous part has justified the use of the functional urban region as the main concept for our comparison. As previously seen numerous statistical harmonizations were carried out since the early 1990s. The OECD metropolitan database will notably be used and analysed as a complementary measure in the next Chapter. Our approach needs to rely on a comparison between Paris and London as functional urban regions at similar dates and based on the same definition criteria for the identification of both the economic core and its hinterland. In this respect the project conducted by the Group for European Metropolitan Areas Comparative Analysis (GEMACA),¹ by providing an harmonization of some European FURs exactly for the time frame of our analysis, appears as the most useful basis for our analysis as stated in the first sub-part.

Moreover, since this first Chapter attempts to build comparative scales for further demographic and socioeconomic analysis carried out in the next one, these different scales must be approached through a statistical framework for which these various data are computed with the minimum reliability. In this respect, the smaller the statistical unit considered, the fewer the data reliable and available.² Thus the main idea is to approach functional scales, defined with very precise statistical units through census data – population, employment, density and commuting data – with larger statistical units for further data computing.³

¹ This group carried out the INTERREG IIC project 'The Competitiveness of the Leading European Metropolitan Areas' which led to a report in 2002 available with the following [link](#).

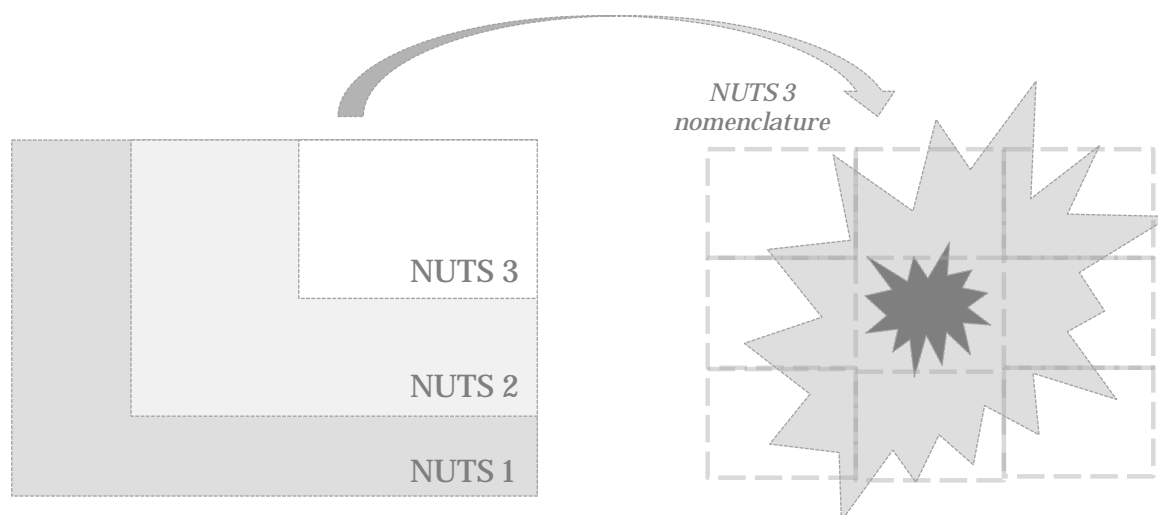
² These methodological issues are developed more precisely for each variable in the next Chapter.

³ In this respect many of the geographical research earlier mentioned, notably on larger scales than the functional urban region, and other very quantitative and empirical ones by French geographers, somewhat forget that scales should be considered as a mean for comparison and not the end of an analysis. Otherwise any methodology computing any kinds of flows and mapping them can be implemented, with undoubtedly interesting empirical results in the shape of numerous maps, but for which no real socioeconomic reflection on their interpretation is carried out.

Doing so leads me to rely on the Nomenclature of Territorial Statistical Units (NUTS) implemented by Eurostat in the 1970s onwards, which aims at defining a common nomenclature for comparing local statistics at a European scale. This framework really started to be used in 1988 onwards and was only fixed juridically in 2003 by the European Parliament. It consists in a three-level nomenclature, fitting with one another, where each layer is based on minimal and maximal demographic thresholds. Eurostat tried to have them coincide as much as possible with existing administrative and/or statistical existing units. This harmonization is used by OECD for computing regional statistics. NUTS 1 relates to the largest subnational administrative and/or statistical unit and NUTS 3 the lowest (Eurostat, 2018). In France, level 1 is not an administrative unit, whereas NUTS 2 and 3 respectively corresponds to the French *régions* and *départements*, which are very stable over time - despite an administrative reform in 2015 reducing the number of *régions* from 22 to 13, but leaving the “Ile-de-France” unchanged. In England level 1 corresponds to Regions (Greater London being one of them), who are no longer administrative perimeters – they had somewhat been between 1997 and 2010 with the existence of Regional Development Agencies -, at the notable exception of the Greater London Authority. Levels 2 and 3 relate to very different institutional realities, from Local Authorities to groups of Local Authorities (see Appendix pp.15-19).

Thus the overall methodology consists in approaching - as precisely as possible - functional scales for Paris and London with a NUTS 3 nomenclature. The scheme available in the next page summarizes this methodology, based on a principle of lowest-bias.

Estimating functional scales through a lowest-bias methodology: scales enclosed to
NUTS 3

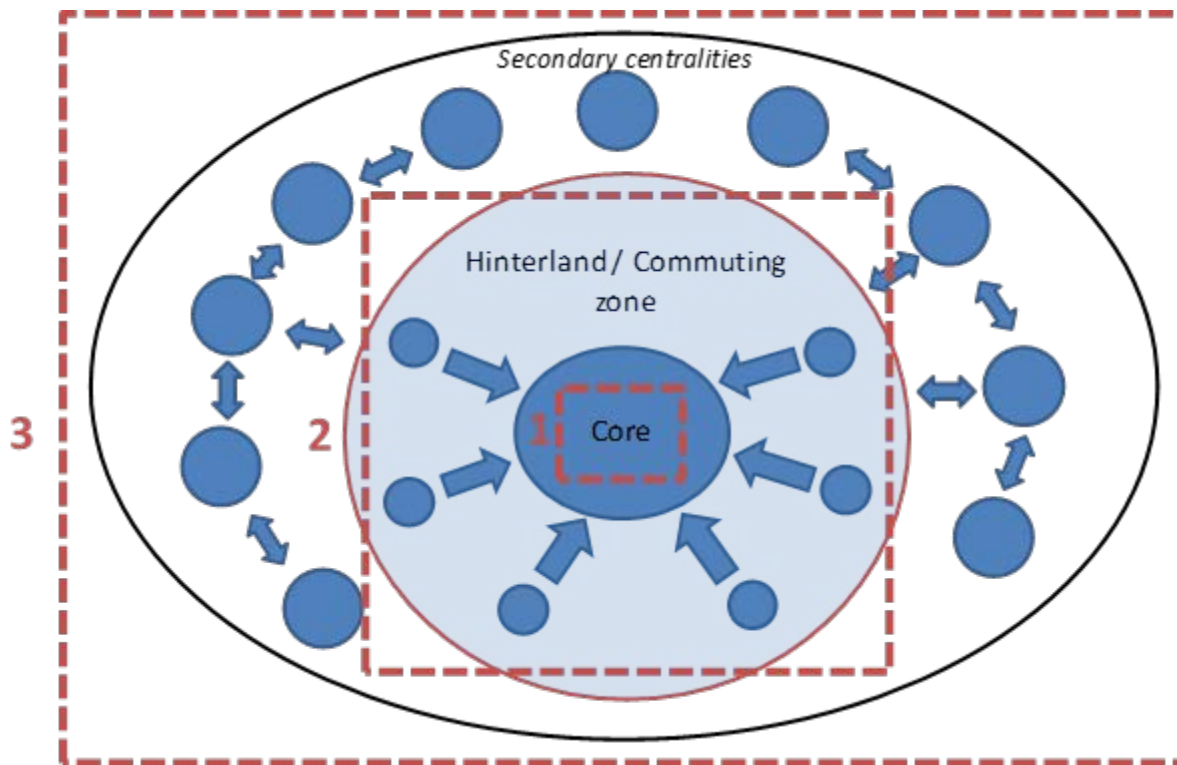


	NUTS 1	NUTS 2	NUTS 3
France	Zones d'Etude et d'Aménagement du Territoire (ZEAT)	Régions	Départements
United Kingdom	Regions	Counties / Groups of counties + Inner and Outer London	Upper tier authorities / Groups of lower tier authorities (unitary authorities or districts)

Source: (Eurostat, 2018)

As summarized in the scheme below (the pointers schematizing commuting patterns), this methodology eventually needs to be applied to the three scales earlier defined: an economic core (1), a functional urban region (2) and eventually a “megaregion” (3). For the first two scales the work by Paul Cheshire and Galina Gornostaeva within the larger GEMACA project will be presented and used (Cheshire & Gornostaeva, 2002).

Three scales for comparing Paris and London



1) Paris and London as functional urban regions (FURs) (1+2)

The first two scales in the scheme above form a functional urban region. Respectively for Paris and London, Paul Cheshire and Galina Gornostaeva (2002) use data from the 1990 and 1991 censuses for representing the FURs of the two capital cities, by mapping a central core (*economic core*) defined by a significant concentration of employment (7 jobs per hectare), and a zone of economic influence (*hinterland*) formed by aggregating every statistical units (the *communes* for France and the *census wards* for England) for which at least 10% of the active occupied population work in the central core.¹ This is therefore consistent with the traditional

¹ Let us recall that the approach is slightly different from the French concept of “*aire urbaine*” by INSEE. It also defines a central core but as an agglomeration (notion of contiguous built-up area) of at least 5,000 employments. Furthermore, the hinterland is formed by the *communes* for which 40% of the active occupied population work in the central core or in another commune of the *aire urbaine*. The threshold thus defined is therefore higher but also takes into account daily commuting between statistical units of the hinterland. For the Ile-de-France, the perimeter thus defined is very close from the radioconcentric approach of the FUR, as I show later on.

definition of the functional urban region. Given as previously mentioned how sensitive the FUR is to the definition of the core, such a dedicated work for our two cities in the beginning of the time frame of our analysis appears as a satisfactory basis (see Appendix p.20-23). Eventually one must indeed remember that the FURs by definition evolve through time, which could raise the question of whether I should consider their scales in the beginning, the middle or the end of the timeframe of our analysis (1990-2017). The answer to this is empirical. As shown in the Appendix (p.20-23), the scales defined in the GEMACA project are very similar to the ones from national statistical agencies in more recent years, and would lead to the same approach by a NUTS 3 nomenclature. In other words FURs evolve through time but when it comes to such large metropolitan areas, these spatial evolutions do not generate statistical biases in the analysis, since they do not change the nomenclature for approaching them.¹

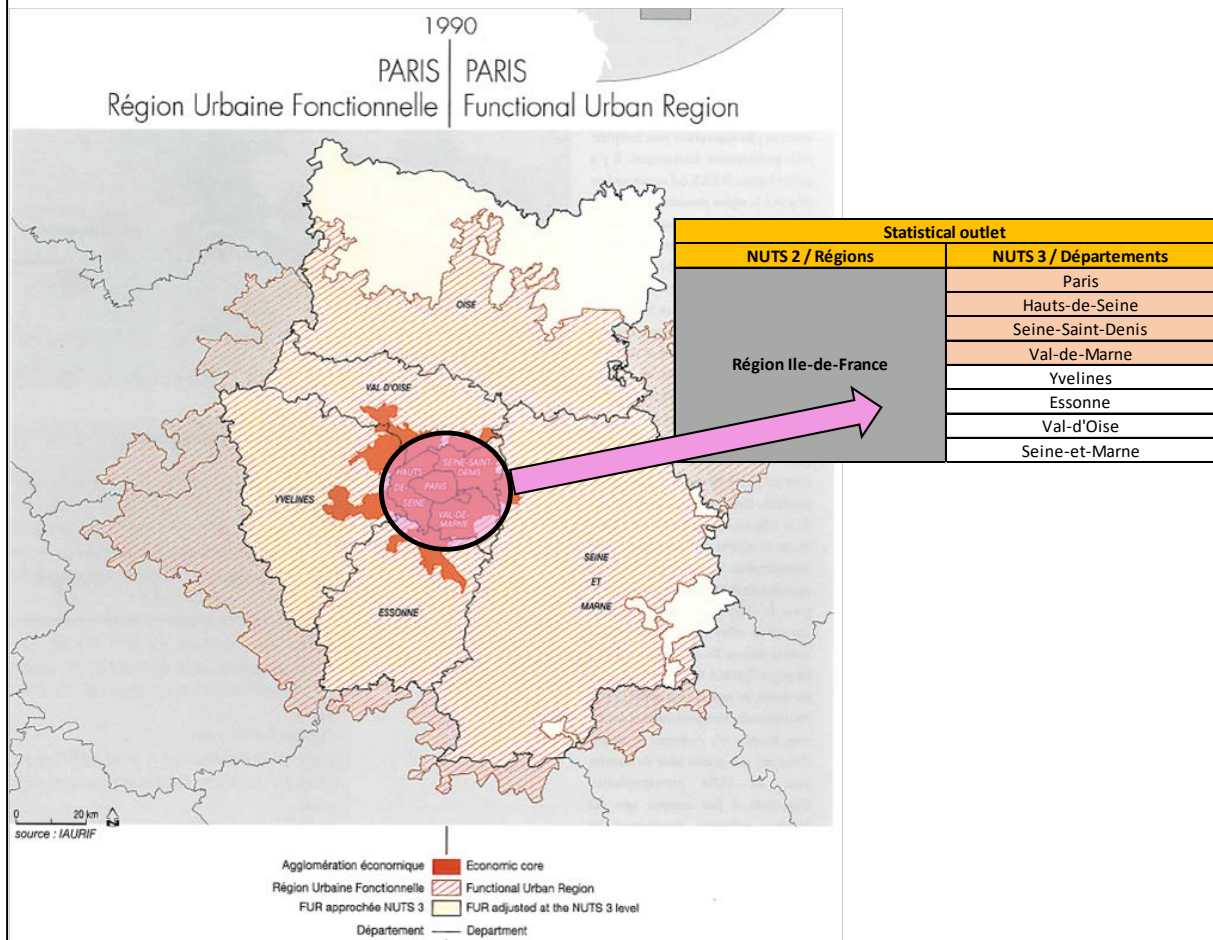
Paris and the “petite couronne” as an equivalent Paris core

As seen in the scheme below, the best NUTS 3 approach to the core of the Paris FUR is the perimeter formed by Paris and its “petite couronne”, namely the *départements* (NUTS 3) of Hauts-de-Seine (92), Seine-Saint-Denis (93) and Val-de-Marne (94), often qualified as the “dense zone” of the Paris agglomeration. This shaping of the *départements* in Paris region stems from the 1964 dislocation of the Seine district, which radically reconfigured the institutional organization of the Paris region. Beyond the memory of this Seine district (which used to cover a slightly larger territory), this space formed by Paris and its “petite couronne” has its proper existence in the reflections upon urban planning – shown by the only existence of the terms “petite” and “grande couronnes” (“small” and “large belts”). It is this very perimeter (with some additional adjoining communes) that was chosen to create a new local authority on January 1st, 2016: the Métropole du Grand Paris. The relevance of this decision is assessed in the following Chapters.

This perimeter is qualified – such as the other scales – as an “equivalent” Paris core since it is meant to be compared to its London “equivalent” core. For the rest of the thesis, and mostly in the next Chapter on metropolitan dynamics, each of these scales will be associated to a color. In the statistical tables of the Chapters to come the cores are represented in light red (as seen below).

¹ These tests are carried out in the next Chapter.

Paris and the “petite couronne” as an equivalent Paris “core”



Source: (Cheshire & Gornostaeva, 2002), part of the GEMACA project

The economic core – which is also true of the urban agglomeration – clearly overtakes the sole “petite couronne”. Despite the fact that our choice is somehow imposed by our NUTS3 requirement, it remains satisfactory for apprehending the urban core of our FUR. Indeed, Paris and its “petite couronne”, and to a greater extent Paris, the Hauts-de-Seine, and some adjoining *communes* to the City of Paris, still shelter the main economic activities in search of urban centrality and high-skilled labour. In other words in the case of Paris, to a stronger extension of the morphological agglomeration responds a strong persistence of a centre-periphery pattern, that Paul Cheshire and Galina Gornostaeva explain by “*The historic retention of city walls in Paris and the associated growth and retention of a concentration of upper socio-economic groups within the centre compared to the suburbanisation and subsequent ex-urbanisation of such groups from London. Such a historic difference has almost certainly been re-inforced by*

the very different policies of land use planning followed in Britain compared to France, however” (Cheshire & Gornostaeva, 2002, p. 20). Thus the density of the Paris model – that I analyse further – limits the loss of our statistical approach and renders quite satisfactory – though compulsory as well - the area formed by Paris and its « petite couronne ».

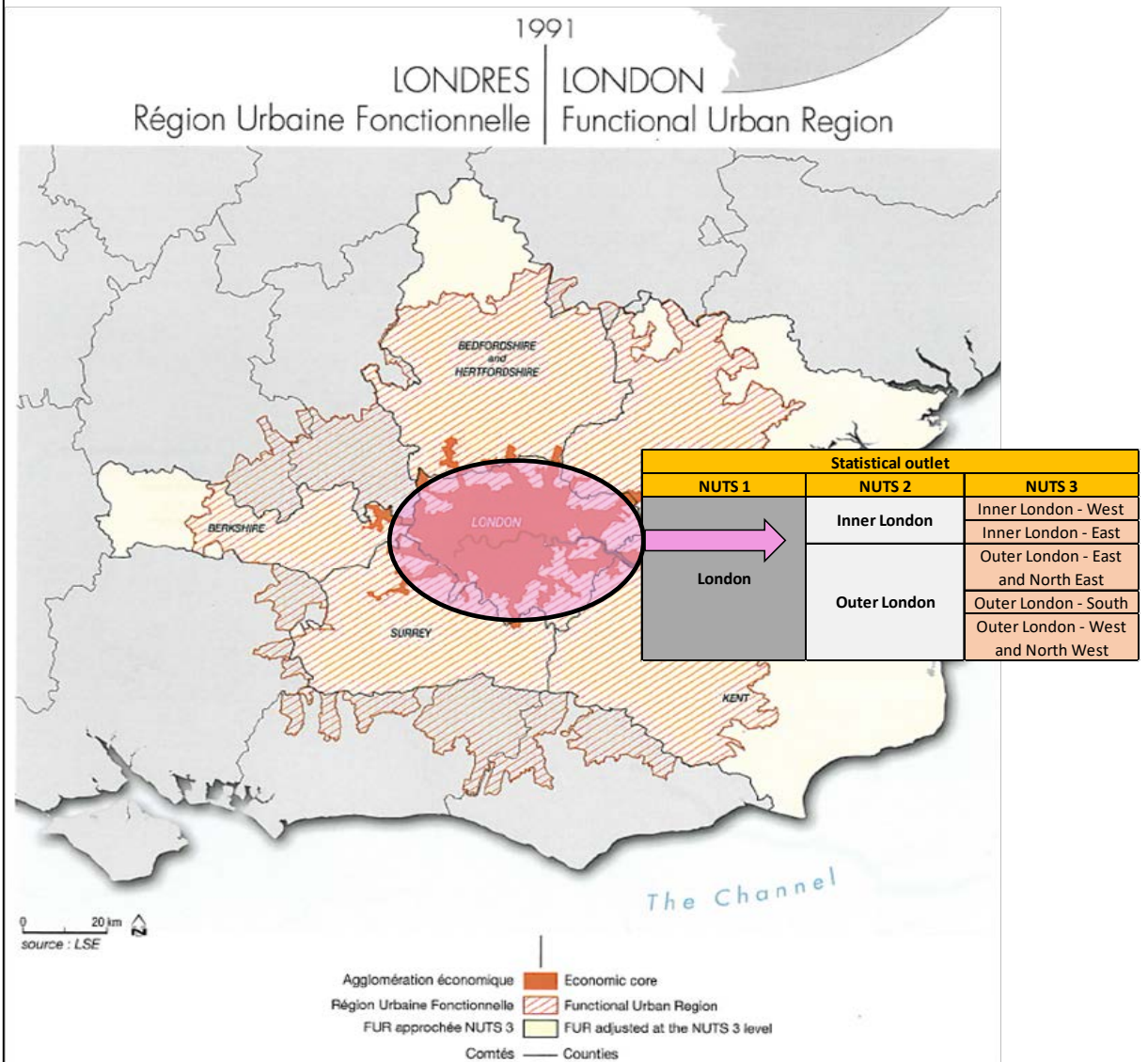
Greater London as an equivalent London core

The same methodology is applied to London. The scheme below shows that the economic core of London can easily be approached by the statistical and administrative perimeter of the Greater London Authority – the NUTS 1 unit named “London” and what is often qualified as “Greater London”. The economic core – such as the urban agglomeration - appears less spread-out than the one of Paris, which is largely explained by the Green Belt policy that was implemented during the second part of the 20th century, as described further on. In this respect Paul Cheshire and Galina Gornostaeva insist on the fact that *“the land use planning system in place since 1947 requires the maintenance of constant urban boundaries and the protection of unbuilt land, or 'Green Belts', around them. Growth of London has thus been significantly squeezed to leapfrog across green space to satellite communities. (...) These differences in land use planning policies themselves are likely to reflect the historic differences in the spatial distribution of upper, and politically more influential, social groups in the two countries”* (Cheshire & Gornostaeva, 2002, p. 20). Greater London thus appears as a clear and satisfactory approach to the London core.

The map below summarizes this approach. The NUTS 1 “London” encompasses the whole equivalent London core. As stated later on “Greater London” is made of 32 boroughs and the City of London, which are all gathered in some statistical groups at NUTS 3 levels. The NUTS 2 layer distinguishes between “Inner London” and “Outer London” which respectively relates to the former London County Council, and to the additional boroughs that were added in 1965 to create the former Greater London Council, whose boundaries match the actual Greater London Authority.

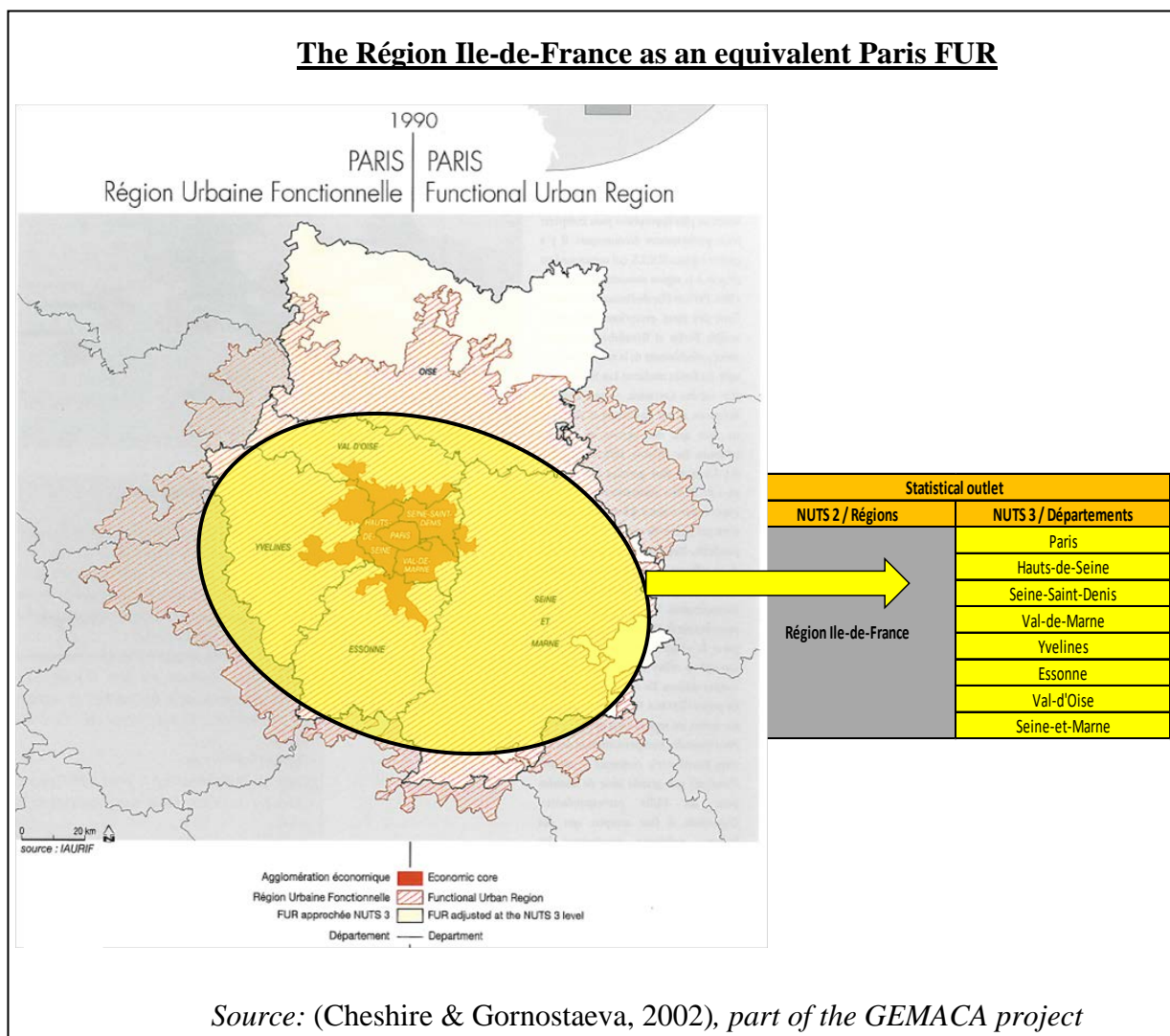
The summary of the two equivalent cores are available in the Appendix (p.25).

Greater London as an equivalent London “core”



Source: (Cheshire & Gornostaeva, 2002), part of the GEMACA project

Paris as a functional urban region: the Région Ile-de-France



Identifying each of the two cities as functional urban regions calls for identifying their hinterlands and adjoining the corresponding NUTS 3 to the ones used for economic cores. As visible in the map above the Region Ile-de-France - as both a statistical and administrative unit – encompasses rather well the whole Paris FUR.¹ Yet this FUR - already in 1990 - overtakes the administrative boundaries of the Région Ile-de-France, covering part of the Oise, the Eure and the Eure-et-Loir. In their article Paul Cheshire and Galina Gornostaeva (2002) thus choose

¹ Beyond the sole statistical and geographical analysis, contemporary political debates on the evolution of the Paris region oppose – amongst other views - those who advocate for the regional scale for establishing a metropolitan authority – reinforcing the Région Ile-de-France – and those who advocate for the scale of the actual Métropole du Grand Paris – the central dense part of the core.

to integrate the Oise in the functional approach of Paris. However, because the following Chapters of the thesis raise governance issues, the choice of the sole Région Ile-de-France as an approach of the Paris FUR, such as the one of Greater London for the London core, presents more assets than biases. Beyond these governance issues, the assets of such a choice relate to the fact that some key data are only available at regional level. The main liability relates to the bias of ignoring part of the Oise *département* and mostly Beauvais and Compiègne (see the map above), which send part of their occupied active population to work in the Région Ile-de-France and notably in the Roissy Charles-de-Gaulle airport area.¹ However these two cities display a very low demographic weight as compared to the central economic area, and adding them to the approach of the FUR – as verified in the data analysis presented in the next Chapter – changes nothing to the observed dynamics of the Paris region.

The scheme above summarizes the approach of the equivalent Paris FUR, which henceforth appears in yellow in the numerous tables of this thesis.

London as a functional urban region

As previously mentioned the GEMACA research group mapped the London FUR using commuting data from the 1991 census. Unlike the London core and the Paris FUR, the approach of the London FUR does not relate to any existing administrative area. In this respect Paul Cheshire and Galina Gornostaeva acknowledge that the difficulty of apprehending London functionally renders international comparisons particularly tricky, since « *the British seem to be prepared simply to accept current political/administrative definitions although these have been quite remarkably unstable in the past 30 years and especially so in the case of London. Scholars do produce definitions of British cities based on functional criteria (of which those originating with the Centre for Urban and Regional Development Studies at the University of Newcastle are probably the best known). The Census of Population produces data for 'built-up areas' – broadly equivalent to the French agglomeration - but neither of these are in wide use, even by specialists* » (Cheshire & Gornostaeva, 2002, p. 15). In other words, despite the wide use of Greater London as a definition of “London” in numerous reports and academic research, it is clearly not sufficient to embrace the functional economic reality of the British capital city.

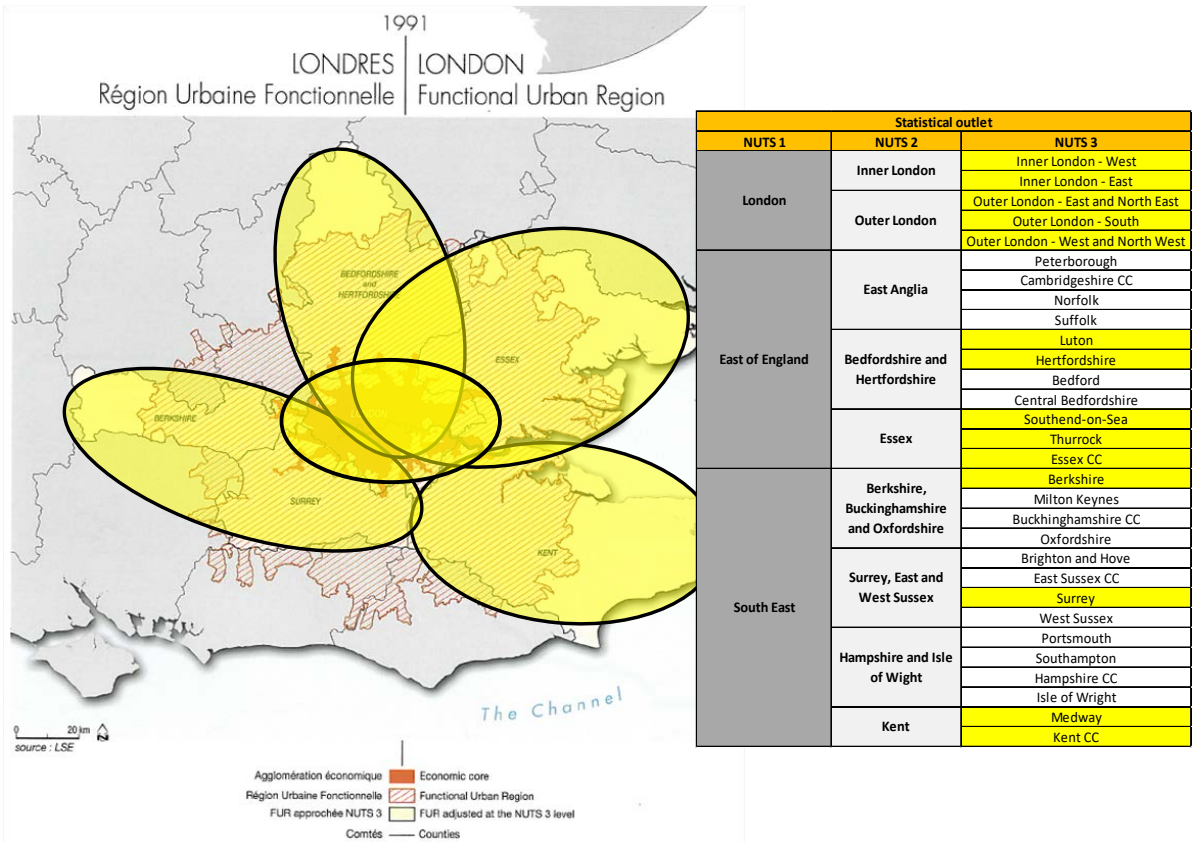
¹ For this reason, if the 2015 reform which reduced the number of *régions* from 22 to 13 had opened the debate on the perimeter of the Ile-de-France – and if more broadly had even slightly taken into account the functional reality of French urban systems – the most relevant evolution would have been the integration of the Oise to the Ile-de-France.

London's "functional urban region" covers a belt of around 14 million people delimited by the Medway Towns (Kent), Burgess Hill, Luton and Colchester, which send more than 10% of their active population within Greater London, mainly in its center, the recently regenerated docklands and some metropolitan sub-centers such as Croydon, Heathrow or Stratford. To a lesser extent commuters also get outside its boundaries in new urban centralities westwards, along the M25 and other converging axes, such as Reading, Crowley, Slough or Bracknell (Cheshire & Gornostaeva, 2002).

The assessment of the London FUR using a NUTS 3 nomenclature is thus presented in the scheme below. As displayed later on, the perimeter used for London - depending on the time frame considered, houses two to three million people more than the Région Ile-de-France. Yet this approach is the most satisfactory since reducing the perimeter in the case of London would generate a stronger bias than slightly increasing the one of the Paris FUR. The question of introducing Buckinghamshire, West Sussex, East Sussex or maybe Hampshire can indeed be raised for more recent times. In this respect, adding the third lawyer at the wider scale of the Greater South East usefully makes up for this gap.

The summary of the two equivalent Paris and London FURs is available in the Appendix (p.26). Paul Cheshire and Galina Gornostaeva eventually highlight a difference in terms of spatial models that is worth mentioning at this stage and confirmed in the conclusion of this Chapter. The two FURs in 1990 and 1991 accounts for equivalent populations (11.4 million people for Paris and 12.5 million people for London), which are however unevenly divided between each economic core and hinterland. In London half of the population of the FUR is housed in the core and half in the hinterland, whereas the Paris core concentrates 70% of the whole FUR population. In other words the Paris spatial scheme is more compact and dense whereas the London one is more spread-out.

An equivalent London FUR in 1991 using a NUTS 3 nomenclature



Source: (Cheshire & Gornostaeva, 2002), part of the GEMACA project

2) Paris and London as mega-regions

Eventually as justified in the first part of this Chapter, a third layer needs to be considered, less as a necessary functional scale but as an additional one likely to enrich the spatial, demographic and socioeconomic diagnosis presented in Chapter 2. In the absence of a clear definition of this “megaregion”, existing scales identified by the literature and/or by planning policies needs to be presented.

The Bassin parisien: Paris as a “megaregion”?

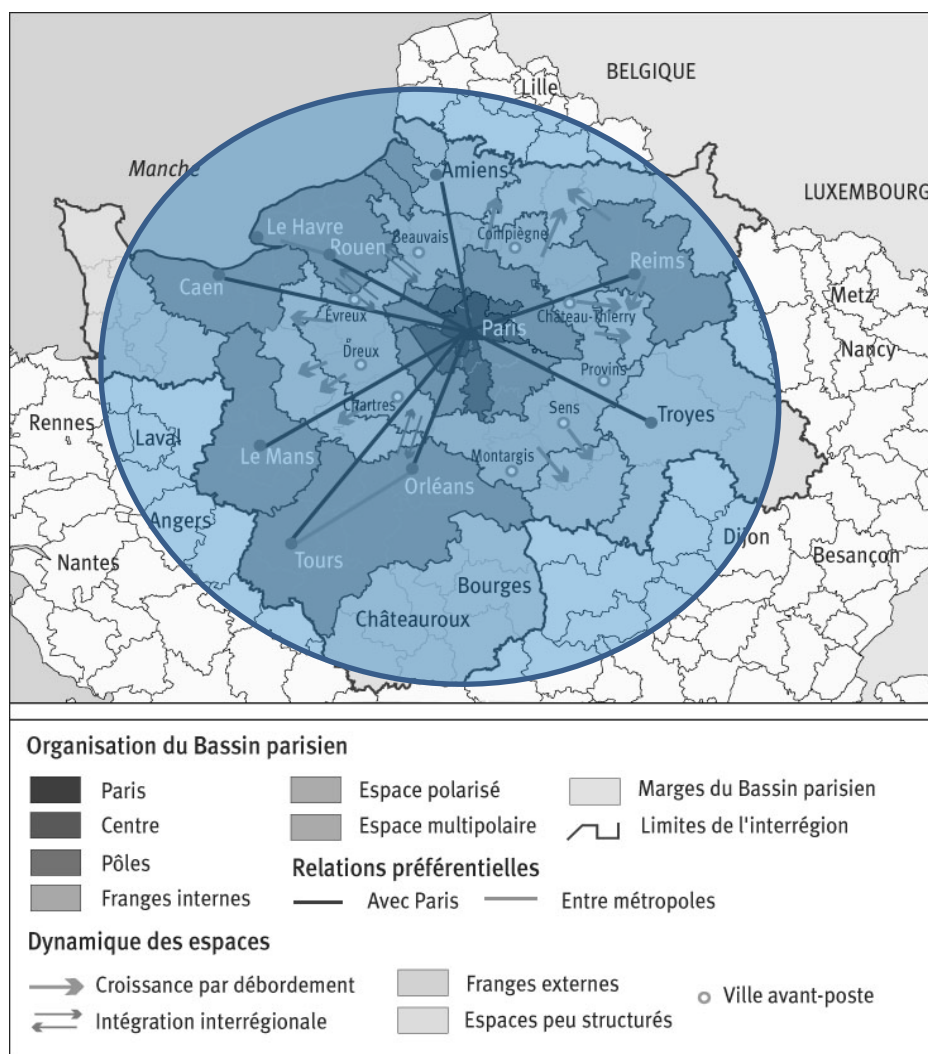
As already mentioned the Paris FUR already overtook the Région Ile-de-France in 1990. This led some researchers to observe that the Ile-de-France should be inscribed within a wider

zone transcending the administrative limits of adjoining regions (Baccaïni, 2011; Gilli, 2001, 2002; Thiard, 2001): the “Bassin parisien”. Beyond the question of its existence as a functional space, this scale was central in post-World War II urban planning policies that aimed at “re-balancing territories” and “redistribute” wealth and activities from Paris to the rest of its region as well as France. First considered as a geological sedimentary vast region, comprising a large part of the centre and the North of France, overtaking part of Belgium, Luxemburg and West Germany, it was then administratively defined in 1992 by the DATAR (*Délégation à l’Aménagement du Territoire et à l’Action Régionale*) as the Région Ile-de-France, plus the following ones : Haute-Normandie, Picardie, Champagne-Ardennes, Centre, Basse-Normandie, and eventually plus the following *departments* : Yonne (Bourgogne region) and Sarthe (Pays-de-la-Loire region). This definition was then used in numerous articles and reports tackling economic, demographic and geographical issues of the Bassin parisien (Gilli, 2002; Zaninetti, 1999). This definition is here considered as the third “megaregional” layer for Paris (see the maps below and the Appendix p.27).

Yet at no point do we assert at this stage that the “Bassin parisien” operates at a coherent socioeconomic and territorial scale – which is why the title of this sub-part remains a question. The demographic structure and internal migrations within the Bassin parisien have indeed been analyzed by numerous French geographers and statistical agencies, whose works and reports do not convincingly highlight a necessarily coherent space (Gilli, 2001, 2002, 2011; Institut Paris Région, 2009a, 2009b; Thiard, 2001). The Bassin parisien has undoubtedly been strongly affected by French planning policies during the second half of the 20th century and the industrial decentralizations since the mid-1950s – widely analyzed in the next Chapter. These evolutions catalyzed the transformation of until-then rural regions by dispersing the Ile-de-France industry and thus developing functional links of these spaces with the Paris agglomeration. In his thesis Philippe Thiard more precisely showed that the Bassin parisien was organized until the 1990s in a centre-periphery model, with high value-added activities in the central agglomeration and manufacturing ones in the adjoining regions (Thiard, 2001). Such geography of activities was the product of spatial strategies by firms during these Fordist times but also the product of these planning policies that pushed companies to relocate their operational units outside of Paris. However most of them, after doing this, relocated their activities of conception and research in the urban core of the capital all along the Third Industrial Revolution. This confirms the interest for re-inserting the Paris FUR within a broader economic space, with which it may keep

functional economic links and where a certain spatial division of tasks operates, even though “conversely to the urban area, space that can be identified as a physical location with a clear yet evolving delimitation, the “Paris economic region” appears as a functional region with spaces sometimes very discontinuous and not as a coherent physical space with a perimeter”.¹

The Bassin parisien by Frédéric Gilli



Source : (Gilli, 2002)

¹ Dartout P., 2005, « Préface », in Cattan N., Gilli F. et al., *Le Fonctionnement métropolitain du Bassin parisien*, Etude pour la DIACT.

Paris as a mega-region

Statistical outlet	
NUTS 2 / Régions	NUTS 3 / Départements
Ile-de-France	Paris
	Hauts-de-Seine
	Seine-Saint-Denis
	Val-de-Marne
	Yvelines
	Essonne
	Val-d'Oise
	Seine-et-Marne
Champagne-Ardenne	Ardennes
	Aube
	Marne
	Haute-Marne
Picardie	Aisne
	Oise
	Somme
Haute-Normandie	Eure
	Seine-Maritime
Centre	Cher
	Eure-et-Loir
	Indre
	Indre-et-Loire
	Loir-et-Cher
	Loiret
Basse Normandie	Calvados
	Manche
	Orne
Bourgogne	Côte-d'Or
	Nièvre
	Saône-et-Loire
	Yonne
Pays de la Loire	Loire-Atlantique
	Maine-et-Loire
	Mayenne
	Sarthe
	Vendée

The relevance of the Bassin parisien as a “megaregional” scale is assessed in the next Chapter since it requires additional data and a comparative perspective.

The Greater South East: London as a megaregion ?

For the very same reasons the London FUR may have to be placed within a much wider economic reality. This necessity is probably even stronger in the British case, where post-War policies of urban planning have participated in limiting the growth of the London agglomeration while leading to a de-concentration of activities to faraway satellite cities, within but also beyond the London FUR as defined before. Hence the fact that “*London is particularly subject to long distance commuting*”, which “*is a long term historical difference between the two cities [Paris and London]*” (Cheshire & Gornostaeva, 2002, p. 20). The whole second part of the 20th century was marked by the extension of the London economic reality to the whole South-East of England, as the conjunct effect of three elements.

First of all an important wave of suburbanization, already noticeable in the 1930s, independent from every planning policy and ignoring administrative boundaries. Second, a voluntarist policy of urban deconcentration of almost 30 years, started by the 1944 Abercrombie Plan and pursued by the Greater London Council Plan of 1965.¹ In order to respond to an anarchic and sprawling extension of London a “Green Belt” was first created in 1947.² It went along with the creation of *new towns* and the development of existing ones (*expanded towns*), located 30 to 100 kilometers away from the centre, in order to absorb the post-War demographic growth that thus was to happen beyond the Green Belt. Eventually the development of these new centralities was backed by a policy of modernization of train networks and the construction of a radioconcentric highway network. Thus the idea - as clearly defined by the *Town and*

¹ The idea of limiting the extension of London in fact harks back to the 1930s. The Greater London Regional Committee of 1935 already suggested the creation of a “green belt” around the capital city. But this policy has developed with Post-War planning policies.

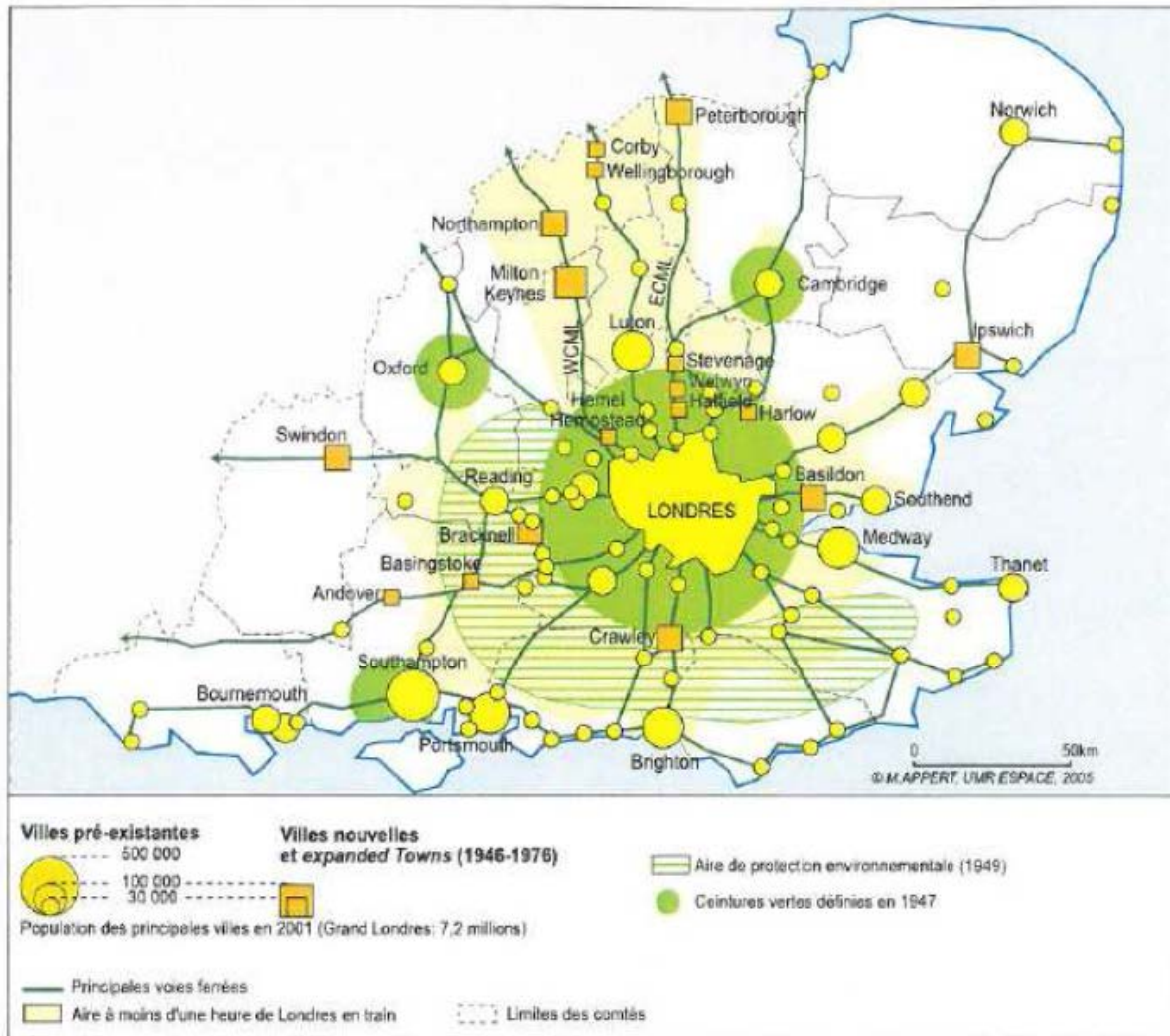
² This idea of the *Green Belt* had been developed by Ebenezer Howard, known for having theoreticized the “garden-city” in his book *Tomorrow, a peaceful path to real reform* (Swan Sonnenschein, 1898). In this essay he depicted the industrial London in a very pessimistic way, with its hovels and the anarchic extension of its suburbs. He thus suggested the development of small towns of 30,000 inhabitants circling a central circular park. These ideas strongly influenced the development of green belts that were supposed to surround large cities and separate them from their peripheral towns. The United Kingdom today has 14 Green Belts and its planning policies are still subject to this Green Belt Policy, which strongly limits the urbanization of these zones.

Country Act of 1947 - was to make London a “circular city from inside” composed with concentric circles: centre, suburbs, Green Belt and exterior rural circle.

These different elements led the British planner Sir Peter Hall to come up with the concept of the “Greater South East”, that he considered as the emerging true functioning scale for London (Appert, 2005a; de Goei, Burger, van Oort, & Kitson, 2010; P. Hall, 1989, 2004; Pain, Hall, Potts, & Walker, 2006). Indeed, the implementation of a half-million-hectare Green Belt has not stopped the wave of suburbanization all around London, even though these planning policies have participated in the emergence of numerous secondary centers beyond this area. The urban growth in Greater London’s periphery nowadays step by step dissolves the break between the capital and its region. Compared to Paris, the London urbanization is thus way more discontinuous, more dissolved and less dense, which explains why apprehending its boundaries has always been very tricky. Let us recall Sir Peter Hall’s statement as soon as 1963: “*London has never taken kindly attempts at delimitation, whether by people who wanted to govern it, or by those who wanted to fix it statistically*”.¹ And Paul Cheshire and Galina Gornostaeva to assert that “*the land use planning system in place since 1947 requires the maintenance of constant urban boundaries and the protection of unbuilt land, or 'Green Belts', around them. Growth of London has thus been significantly squeezed to leapfrog across green space to satellite communities. (...) These differences in land use planning policies themselves are likely to reflect the historic differences in the spatial distribution of upper, and politically more influential, social groups in the two countries*”. Beyond having constrained the development of the urban core, the “Green Belt” policy had an impact in structuring a wider polycentric space than the sole London FUR, that Sir Peter Hall (1989) named the *Greater South East* in order to depict this vast polycentric space, whose framework was shaped by post-War urban policies. The legacy of these planning policies has been represented by Manuel Appert (2005) (see the scheme below).

¹ Hall P., 1963, *London 2000*, Faber & Faber.

The legacy of the urban de-concentration policy of London by Manuel Appert



Source : (Appert, 2005b)

In statistical terms the Greater South East is simply defined as the addition of three statistical regions (NUTS 1): London, East of England and South East of England.¹ This definition is used in our analysis (see the Appendix p.28). The *Greater South East* is increasingly analyzed by British geographers as the right functional polycentric scale of London (de Goei et al., 2010; P. Hall, 2004; Pain et al., 2006), even though not in a comparative perspective. Whether or not the Greater South East is indeed the true functional economic scale

¹ London being the only institutional entity amongst the three.

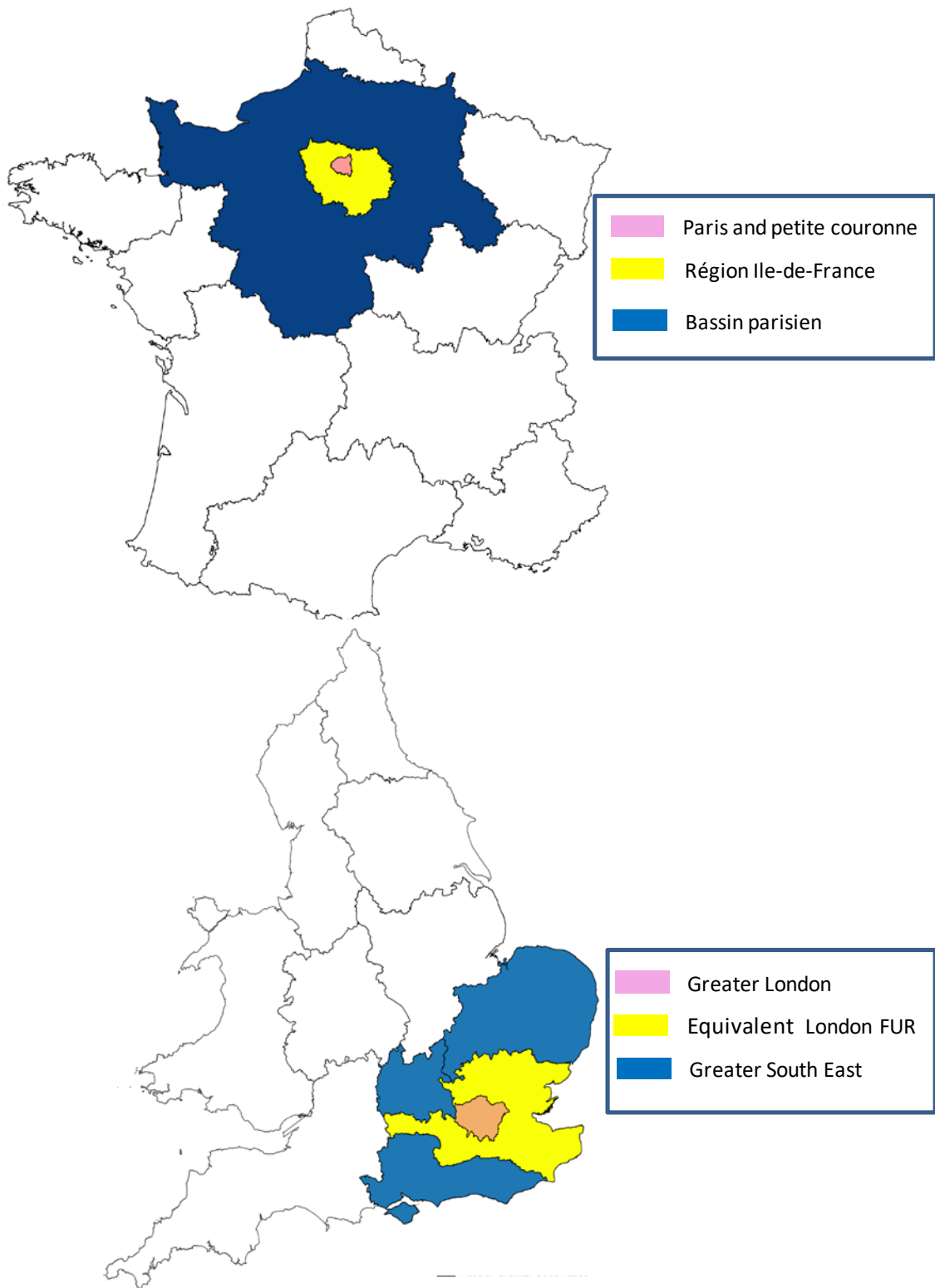
of London,¹ it can nevertheless quite rightly be described in three concentric spaces as Manuel Appert does (2005a). First the metropolitan area or FUR as earlier defined, which is strongly linked to the central core of Greater London, and also shelters outside London the Medways Towns (Kent), Reading (Berkshire), Slough (Berkshire), Bracknell (Berkshire), Luton (Bedfordshire) and Colchester (Essex). Second, beyond this first layer, some towns housing around 100,000 people and often stemming from planning policies, linked to the capital city by quick and frequent rail services, which benefit from a certain autonomy but who remain strongly challenged by the development of Greater London: Milton Keynes (Buckinghamshire), Peterborough (Cambridgeshire), Swindon (Wiltshire), Cambridge (Cambridgeshire) or Ipswich (Suffolk). These towns suffer from a difficulty to become real centralities, namely because of their good accessibility – the two main lines, *West Coast* and *East Coast* that serves two thirds of the region in less than an hour. Eventually, close to the borders of the *Greater South East*, some large towns with higher autonomy forming autonomous employment areas: Portsmouth (West Sussex), Southampton (Hampshire), Bournemouth (Dorset), Oxford (Oxfordshire), Northampton (Northamptonshire) and Norwich (Norfolk).

Just like for the Bassin parisien, the relevance of the scale of Greater South East is assessed in the next Chapter thanks to the results of the statistical analysis on the metropolitan dynamics of the two cities. These two “megaregional” scales from now on appear in blue in all the tables of the thesis.

The map on the following page summarizes the three scales of the comparison between functional Paris’ and Londons and their corresponding color. When it comes to analyzing demographic and socioeconomic data at these different scales, a fourth national layer needs to be considered in order to distinguish between national dynamics reflected in the dynamics of the capital region, and proper trajectories of the capital regions. This Chapter eventually concludes by displaying a demographic photography of these perimeters and by highlighting two different spatial systems: dense and compact for Paris, less dense and spread-out for London (based on the annual population estimates between 1981 and 2017 for each scale and available in the Appendix p.29).

¹ The question of where functional London truly stops – if the question itself really makes sense - appears extremely tricky and probably impossible to answer. The example of Oxford and Cambridge is relevant: to what extent should such important economic and especially academic polarities be considered as part of the London economy? It is impossible to tell. Yet it remains an issue in international comparisons on academic systems and performances.

Overview of the functional Paris' and Londons as earlier defined



Maps generated through QGIS software

Overview of population, area and density of Paris and London's three scales as compared to Metropolitan France and the United Kingdom

PARIS	Population (thousands)								Area (km ²)		Density (inhab./km ²)
	1981	Part	1990	Part	2000	Part	2017	Part	2017	Part	2017
Paris and "petite couronne" / Equivalent core	6 107	11%	6 132	11%	6 205	11%	6 786	11%	762	0%	8 903
Région IDF / Equivalent Paris FUR	10 032	19%	10 645	19%	11 020	19%	12 152	19%	12 012	2%	1 012
Bassin parisien	19 151	35%	20 134	36%	20 753	35%	22 226	34%	139 709	26%	159
Metropolitan France	54 029	100%	56 577	100%	58 858	100%	64 618	100%	543 965	100%	119

Source : INSEE for annual population estimates and OECD for the area of each statistical unit used for constructing the three scales. "Metropolitan France" [France Métropolitaine] or "continental France" is defined as the European territory of France (thus including Corse), excluding its "Départements d'Outre-Mer" (DOM) and "Territoires d'Outre-Mer" (TOM) : Guadeloupe, Guyane, Martinique, La Réunion and Mayotte. It was chosen as the national scale for Paris mainly for geographical reasons, since the focus was the socioeconomic and demographic evolution of the capital city regarding its national hinterland and the relationships between both.

LONDON	Population (thousands)								Area (km ²)		Density (inhab./km ²)
	1981	Part	1990	Part	2000	Part	2017	Part	2017	Part	2017
Greater London / Equivalent core	6 805	12%	6 799	12%	7 237	12%	8 825	13%	1 572	1%	5 613
Equivalent London FUR	12 615	22%	12 777	22%	13 490	23%	15 964	24%	13 589	6%	1 175
Greater South East	18 903	34%	19 485	34%	20 602	35%	24 074	36%	39 751	16%	606
United Kingdom	56 358	100%	57 238	100%	58 886	100%	66 040	100%	242 509	100%	272

Source : INSEE for annual population estimates and OECD for the area of each statistical unit used for constructing the three scales. The "United Kingdom" is made of four nations: England, Wales, Scotland and Northern Ireland, the latter three having devolved administrations. It was chosen as the national scale for London rather than England for two statistical reasons. The first being that it is the national category used by default by the ONS as well as Eurostat and the OECD. The second being that it displays a similar demographic weight as Metropolitan France.

Annual population estimates have been computed from 1981 to 2017 (see Appendix p.29) and are here used for some chronological snapshots. Their comparative dynamics are further analysed in Chapter 2. INSEE and ONS use very similar methodologies for population estimates between two censuses. Between the years N and N+1, recorded births and deaths are respectively added and subtracted, while migration balance is added after being estimated in both cases using census and civil state data. Both make some marginal adjustments for specific populations that are not captured by usual migration estimates.

INSEE computes population on January 1st every year and the ONS on June 31st – they are "mid-year" estimates. For the last fifty years, French censuses occurred in 1968, 1975, 1982, 1990, 1999, 2008 and 2013, and British ones in 1971, 1981, 1991, 2001 and 2011.

Conclusion for Chapter 1

Compact Paris and spread-out London: the two capital regions display different spatial structures

Numerous comparative analyses on (large) metropolitan areas lack rigorous investigations on the comparability of statistical categories and scales used to understand them. The first Chapter of this thesis thus aimed at defining comparative scales for the further demographic and socioeconomic analysis of Paris and London in the 1990s onwards, taking into account as much as possible both statistical and institutional perimeters in approaching these areas. It proposes three comparative scales based on the concept of the functional urban region (FUR), as being based on commuting data and therefore as a rather synthetic measure of the scale to which the metropolis as a territorialized labour market and thus as a productive system operates. Choosing the FUR as the basis for constructing our equivalent scales for further statistical and institutional analyses in the thesis is consistent with the conceptual basis of an urban region as a system based on intense daily interrelations, which reflects in the structure of land and labour prices.

Both functional urban regions in the beginning of the time frame of our analysis appear rather comparable in demographic terms. The Region Ile-de-France, which encompasses rather well the Paris FUR though slightly underestimating it, shelters 10.6 million people in 1990 and 12.1 million in 2017, while the equivalent London FUR – which is slightly overestimated by our NUTS3 nomenclature – accounts for 12.8 million people in 1990 and 16 million people in 2017. The City of Paris and the three *départements* of the “petite couronne” – the almost exact scale of the very recently created Métropole du Grand Paris - are the best approach for the core of the Paris FUR, which is in fact a little bit larger. On the other hand the the London core is best understood by Greater London in administrative terms, namely the boundaries of the Greater London Authority and the former Greater London Council. Precise measures of population in both cores and hinterlands respectively in 1990 and 1991 by the GEMACA study reveal two different spatial structures: a dense and compact one for Paris – 70% of the population of the FUR within the core and 30% in the hinterland – and a spread-out one for London – 50% of the population in both the core and the hinterland.

These comparative scales needed to be completed with a larger one, which is less a precise and well-defined statistical category than a test for a possible demographic and

socioeconomic polycentric wider functioning of each metropolitan region. By using the generic term “megaregion” and referring to scales and concepts from the existing geographical literature and and post-War planning policies, this Chapter chose the Bassin parisien and the Greater South East. They respectively shelter 22.2 and 24 million people in 2017, against 20.1 and 19.4 million people in 1990. At no point at this stage do we assert that these third scales relate to a socioeconomic network system in each capital region. The analysis carried out in the next Chapter provides further evidence on whether or not it is the case, especially regarding the necessary fourth and national scale for our analysis: Metropolitan France and the United Kingdom.

PARIS	Population (thousands)								Area (km ²)		Density (inhab./km ²)
	1981	Part	1990	Part	2000	Part	2017	Part	2017	Part	2017
Paris and "petite couronne" / Equivalent core	6 107	32%	6 132	30%	6 205	30%	6 786	31%	762	1%	8 903
Région IDE / Equivalent	10 032	52%	10 645	53%	11 020	53%	12 152	55%	12 012	9%	1 012
Bassin parisien	19 151	100%	20 134	100%	20 753	100%	22 226	100%	139 709	100%	159

LONDON	Population (thousands)								Area (km ²)		Density (inhab./km ²)
	1981	Part	1990	Part	2000	Part	2017	Part	2017	Part	2017
Greater London / Equivalent core	6 805	36%	6 799	35%	7 237	35%	8 825	37%	1 572	4%	5 613
Equivalent London FUR	12 615	67%	12 777	66%	13 490	65%	15 964	66%	13 589	34%	1 175
Greater South East	18 903	100%	19 485	100%	20 602	100%	24 074	100%	39 751	100%	606

A first comparison on population, area and density applied to these three scales confirms the analysis made in 2002 by Paul Cheshire and Galina Gornostaeva on the different spatial systems of the two metropolitan regions, as well as the persistence of these schemes across the whole timeframe of the analysis: dense and compact for Paris and spread-out for London. The Bassin parisien (140,000 km²) is 3.5 times wider than the Greater South East (40,000 km²) but slightly less populated in 2017. Yet 55% of its population – the Région Ile-de-France - is concentrated on 9% of the whole territory. Conversely the population of the Greater South East is spread evenly across the three scales. Eventually the Paris core is way more dense : 8,903 inhabitants per km² against 5,613 in its equivalent in London. When taken at national level (p.64 above) percentages of population appear pretty similar: 11% (core), 19% (FUR) and 34% (megaregion) for Paris as a share of Metropolitan France, against respectively 13%, 24% and 36% for London as a share of United Kingdom. The only significant difference between both metropolitan areas in terms of spatial structure relates on the one hand to the share of population within both cores and FURs and on the other to the density of these cores and FURs. Beyond

the definition of the three scales used in the next Chapters, the main finding of this first Chapter concerns the different spatial structures of both metropolitan regions: compact for Paris and spread-out for London.

This approach is based on a principle of lowest bias, being related to the most precise statistical nomenclature to which demographic and socioeconomic data from both national and international statistical agencies are available. On the one hand the perimeters defined do not perfectly match morphological and functional scales of the two regions. On the other hand these functional scales, considered in the beginning of our timeframe (the 1990 census for Paris and the 1991 census for London), also evolve through time. However, anticipating the methodological analysis and statistical results presented in the next Chapter, numerous tests based on slightly changing the approach - by adding or subtracting such and such statistical unit for encompassing functional scales as defined with more censuses data – clearly show that such changes have no effect on the overall results depicted in Chapter 2. In other words further work on empirical and statistical quantification at much finer scales, which drive numerous works in the French geography, would result in quickly decreasing returns on investment. Thus both spatial schemes of both metropolitan regions can be considered as consistent results, which now calls for further understanding of their demographic and socioeconomic dynamics.

Chapter 2 (Metropolitan dynamics)

*“I speak of the city, shepherd of the centuries, mother that gives birth
to us and devours us, that creates us and forgets”*

Octavio Paz, *I speak of the city*

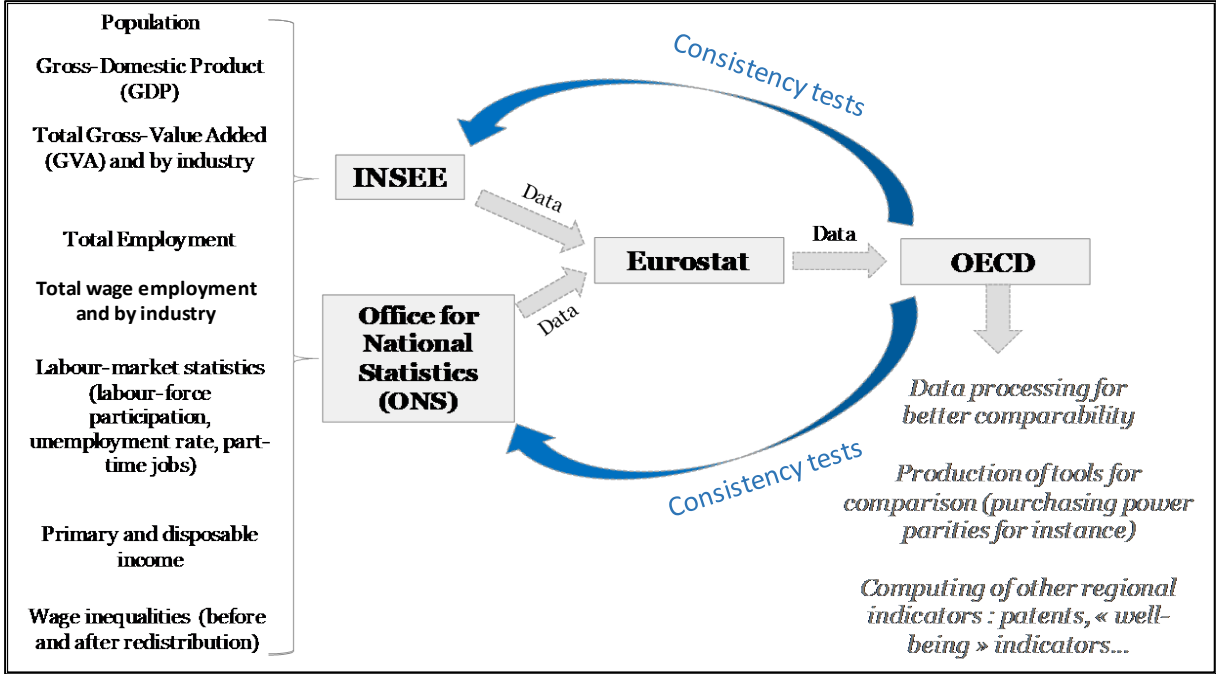
Having identified the different scales necessary to the understanding of Paris and London the main challenge of this chapter is to highlight their respective socioeconomic and demographic dynamics since the early 1990s. In this respect most existing comparisons lack a rigorous reflexion on the definition and comparability of the two cities that the previous Chapter has suggested a way to tackle. But they also lack an encompassing investigation based on as much different data as possible, backed by an inquiry on their various sources and construction methodologies.

This second chapter and the corresponding Appendix provides the result of this statistical inquiry, using the three comparative scales from Chapter 1 for both cities plus the national one. First and foremost the analysis draws on national data coming from INSEE (France) and ONS (United Kingdom). In most cases statistics have become more and more comparable through time thanks to a general standardizing trend of national inquiries within the European Union. On top of that some older measures have then been harmonized in order to generate longitudinal databases.

Yet this general trend was not systematic. Hence our need for further sources. In this respect, responding to a growing academic as well as political demand for regional evidence, the OECD has developed a unique set of statistics covering 2,000 regions within 36 countries including France and the United Kingdom. In the European case this project was carried out in close proximity with Eurostat tools and policies. First of all because it relied on the very same territorial nomenclature (NUTS 1, 2 and 3) rendering possible a reconstruction of the different scales. Then because the primary data gathered by OECD is the one collected by Eurostat directly from INSEE and ONS.

Last but not least OECD statisticians produce additional important data. One the one hand key tools for such an international comparison, namely deflators and purchasing power parities, presented further on. On the other hand some other indicators on innovation issues or “well-being” in regions that provide a complementary interesting perspective. The overall scheme

below summarizes the process and the main indicators computed in this work and systematically compared between national sources and OECD (see an example of consistency tests in the Appendix p.31).



Each database has been computed at the four comparative scales whenever possible and reach back as far as possible, but never at the expense of comparability through time. In other words none of our tables and graphs was produced by adding two separate tables on different time frames. The priority remains the highlighting of dynamics - spatial, demographic and socioeconomic ones: trajectories rather than absolute values. Eventually, because such comparisons generate potential academic and political controversies, every table on every data based on every possible method is available in the Appendix, including statistics issued from the OECD metropolitan database for Paris and London metropolitan areas. Not all of them will be referred to. Yet relying on such systematic investigations in different methodologies and sources strengthen the confidence in the differences that indeed emerge in the end.

Though urban growth is ultimately a multi-faceted process, a parsimonious framework for comparing the most fundamental dynamics of urban areas is two variables. The first is demographic, namely population, which captures the basic quantitative dimension of change, along with other big economic aggregates - employment or gross-domestic product. The second is economic, measured as either output – productivity gains and innovation - or per capita income, which captures the quality of the growth process. When these two variables are

combined, we get a basic sense of how an urban region is changing. In the following, I will therefore dig into both aspects as a way of comparing Paris and London. Each set of data calling for a specific literature review and analysis, the chapter displays them one by one by distinguishing between both dimensions stressed above: a quantitative aspect of urban growth (A) - based on the evolution of general big aggregates such as population, employment (and unemployment) as well as gross-domestic product - and a qualitative dimension of growth (B). This second part includes the analysis on both ratios, such as productivity and income per capita and other dimensions related to metropolitan dynamics, such as specialization, innovation or “well-being”. The last part of the chapter tries to connect the dots (C) by depicting the general metropolitan socioeconomic trends emerging from the statistics, confronting these results to the existing visions, being academic or political, and eventually raising – in the conclusion of this Chapter - theoretical and methodological implications for the following three chapters of the research.

A- Quantitative growth

This first part goes through statistics on the metropolitan dynamics of Paris and London regarding three main aggregates: population (1) - which will take up an important part of the analysis -, employment, as well as unemployment (2), and eventually gross-domestic product (3).

1) Dynamics and drivers for demographic growth

Computing local population change

Population growth is an important feature of city growth. Even though insufficient for assessing metropolitan dynamics, population change constitutes an intuitive point of entry. In this respect both countries use the same methodology for annual population estimates, on January 1st of each year for France and on June 30th (mid-year estimates) for the UK. Both

INSEE and ONS update census data based on both drivers of demographic evolution, natural change and migration change¹ :

$$\text{Population (N)} = \text{Population (N-1)} + \text{Births (N-1)} - \text{Deaths (N-1)} + \text{Net migration (N-1)}$$

Both use civil status sources in each local constituency for computing natural change, which is in each case very precisely computed. As for net migration, for each local authority or region, it is driven by net international migration (population exchange with foreign countries) and net internal migration (population exchange with other local authorities or regions from the same country). International movements are recorded statistically – not without specific challenges - at a national level but not locally as evoked later on. The other problem concerns internal movements, which in both countries have no administrative compulsory registration.² A similar methodology is used in both countries: until the next census previous trends are applied nationally and to each local statistical unit. Then the results of the census allow statistical correction and error estimates which then lead to a retropolation: local population estimates are then corrected as migration balance is re-estimated through the difference between population (N) and natural balance (N). Thus for each unit migration balance is a proxy which means that local population data is as well. Yet the similar methodology for estimates and corrections, as well as the relative proximity of census years in both countries,³ allows us to use national data when it comes to local population estimates.⁴

The most recent databases have to be used because of this very iterative correcting process. The INSEE annual database hark back to 1975 and provides population estimates at a NUTS 3 (*département*) level until 2018. The most recent ONS database provides these estimates from 1981 to 2017. The detailed table from 1981 to 2017 is given in the Appendix (p. 32). OECD regional estimates are available from 1991 onwards only at a regional level. Given the methodological proximity of both estimates on this topic national data has been used starting in 1990 up until 2017. Coherence tests for similar time frames and results from the OECD

¹ Further information can be found on these annual local population estimates for France (see [INSEE methodology](#)) and UK (see [ONS methodology](#)).

² Mobility between different countries of the United Kingdom are statistically considered as being internal movements.

³ 1982, 1990, 1999, 2007, 2013 and then annually for France ; 1981, 1991, 2001 and 2011 for the UK.

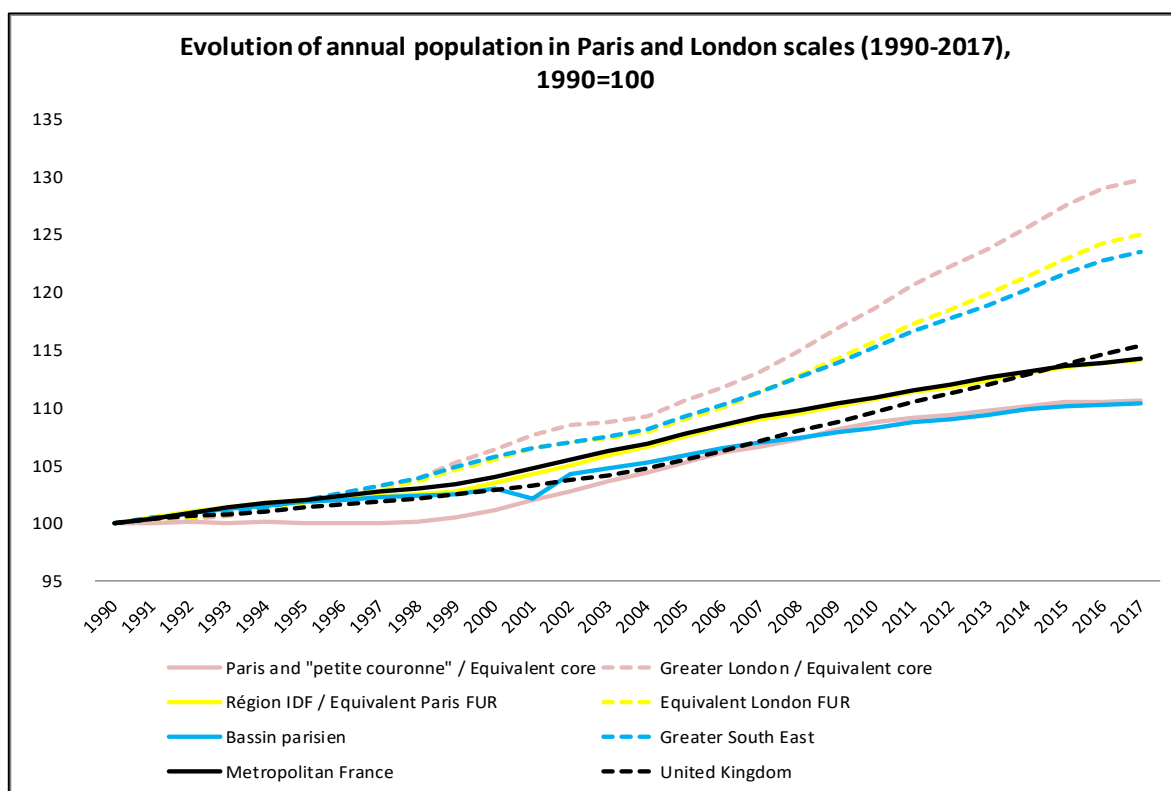
⁴ The main bias in this respect does not concern migration balance *per se* and thus population estimates in absolute terms, but the description of internal migration trends, *ie* the origin and destination of people moving. This aspect is developed further on.

regional and metropolitan databases reveal a similar pattern as the one that shall be described now (Appendix p.33).

London's population growth is greater than both Paris and the UK

The graph below displays a strong demographic growth for London, mostly Greater London but also the rest of the FUR as well as the whole Greater South East. Greater London rose from 6.7 in 1990 to 8.8 million people while the whole Greater South East went from 19.3 to 24 million people. Conversely, Paris shows a rather flat dynamic throughout these 27 years, especially the “core” (Paris and its petite couronne) – from 6.1 to 6.8 million people - and the Bassin parisien. The Région Ile-de-France – from 10.5 to 12.1 million people - follows a rhythm similar to the rest of France, which is as a whole weaker than the whole Greater South East. The turning point in London population growth seems to be the mid-1990s, with then a clear acceleration and divergence in the mid-2000s.

The other striking element of the graph concerns the opposite trend between both metropolitan areas and their national spaces. Both Metropolitan France and the UK maintained rather comparable demographic weight, from respectively 56.5 and 57.2 million people in 1990 to 64.6 and 66 million people in 1990. But while London and its Greater South East have grown much more than the UK during the last twenty years, Paris exhibits a comparable and sometimes weaker trend than the rest of France. Population in the Paris core even stagnates during the entire 1990s whereas Greater London was starting to regain population after decades of suburbanization affecting all metropolitan regions. For the French capital the return to demographic growth occurs during the first half of the 2000s as observed in other studies (Institut Paris Région, 2014; Louchart, 2015). The divergence between London and the UK had already been stressed in previous works as well (Dorling, 2008; Gordon et al., 2009; Overman, 2015).



Source : INSEE and ONS / Annual population estimates

These different demographic dynamics between the two cities and regarding their respective countries calls for a further examination upon the drivers for their population change.

The challenge for comparing international migration

As previously stressed the two drivers for population change in any country or region are natural balance (births – deaths) and migration balance (arrivals – departures). OECD does not provide annual regional estimates for each of these. Hence the necessity for relying on national sources. As previously seen natural change can easily be measured through civil records. The same cannot be said of migration statistics. When it comes to international migrations statistics have long lack comparability (Thierry, 2008, 2011). On the one hand because of the variability of administrative sources, some countries computing inflows using population registers¹ and

¹ A population register is a file of people living in the country that is in most cases kept at a municipal level. It is used to produce immigrant statistics in Belgium, Germany, the Netherlands or Sweden for instance.

others resident permit systems¹ or statistical inquiries.² On the other hand because of the variability of the definition of an international migrant.³

Furthermore emigration has been and in many respects still is rarely measured. Facing an increasing number of international migrants in the 1990s - mostly because of the fall of the Iron Curtain - the United Nations recommended statistical harmonization by States (UN, 1998). Most of them were applied by the European Union in 2007⁴ and thus by Eurostat, especially the common definition of an international migrant. Henceforth, any person changing their usual place of residence from one State to another for a duration of stay of at least 12 months, independently from any consideration of nationality or reason for migration, is considered as such. Nowadays annual and comparable migration data are thus more exploitable than they used to be, even though at an international level they remain largely limited to OECD countries.

This being said, specific issues remain within OECD countries including France and the United Kingdom. The issue of internal migration is tackled further on. As for immigration neither of these countries use population registers. In France immigration is annually computed using residence permits,⁵ which allow local estimates, but on the one hand only provides an estimation of foreign arrivals from countries outside the European Economic Area (EEA) which are required to ask for one, and on the other can lead to slight time discrepancies.⁶ Arrival from other EU countries which do not require any permit have to be estimated through statistical inquiries made by other institutes such as Ined (Mazuy, Barbieri, Breton, & D'Albis, 2015) or Eurostat – through its Labour Force Surveys. Given the administrative nature of the sources, the number of arrivals corresponds to an entry within a juridical category and not necessary an effective entry (Cornuau & Dunezat, 2008; Temporal & Brutel, 2016). This being said, with

¹ Other OECD countries than the ones mentioned above base their immigration statistics on residence permits such as France, Switzerland, Australia, Canada, New Zealand or the United States.

² Such as the United Kingdom.

³ The differences mainly relate to the threshold used regarding the duration of the residence in the country.

⁴ See the Regulation (EC) No.862 of the European Parliament and of the Council of 11 July 2007 on Community statistics on migration and international protection and repealing Council Regulation (EEC) No 311/76 on the compilation of statistics on foreign workers: [access to the detailed regulation](#).

⁵ These are centralized within a common database: the Application de gestion des dossiers de ressortissants étrangers (Adgref).

⁶ The year for the demand of the permit being sometimes different from the effective arrival on the territory.

the recent annualization of censuses in France¹ the number of immigrants is now measured annually through censuses: immigrants are computed as people being born in a foreign country and are asked for their year of arrival, allowing retrospective statistical updating as well as regional allocation (Brutel, 2014). The main striking gap concerning France is emigration. Like other countries not using population registers, there is no statistical recording of departures, which is therefore proxied as a remainder but very weakly understood.²

Instead of administrative sources like France, the United Kingdom resorts to a statistical inquiry, the International Passenger Survey (IPS), which is a long-running ONS survey administered in UK ports of arrival and departure (Thierry, 2011). Consistent with the international definition of migrants, it brings better information on both people moving to and from the UK but only on a sample of migrants that are interviewed face-to-face on a voluntary basis in airports, sea routes and the Channel Tunnel. The responses are then scaled to produce national migration estimates – immigration and emigration - using a complex weighting system.³ Yet they are not representative enough to be directly affected to each local authority, which calls for a cross-analysis with other inquiries or administrative sources, such as the Migrant Worker Scan (MWS) – based on National Insurance data -, the Higher Education Statistics Agency (HESA), Home Office visa data or the Patent Register Data Service (PRDS).

Despite recent harmonizing trends methodological differences thus remain between the two countries as well as others. This led the OECD to produce comparable data between countries using amongst others Eurostat's European Union Labour Force Survey (EU-LFS). Its results are undoubtedly more comparable but on the one hand are only available for a single year – 2015 – and on the other only provides ratios applied to the actual population: for instance the share of EU migrants or Non-EU migrants, but not the drivers for population change (Diaz Ramirez, Liebig, Thoreau, & Veneri, 2018). The best way for understanding the motors for

¹ Since the 2006 census produced by five annual inquiries from 2004 to 2008, annual censuses are carried out by INSEE using the five most recent editions of annual inquiries.

² Unlike immigration which has led to numerous publications and remains a sensitive political matter in France, emigration entailed neither statistical information nor much research (Temporal & Brutel, 2016). Indeed France is historically considered as an immigration country as opposed to an emigration country like the United Kingdom, Ireland, Italy or Germany, since it sent very few people to the New World because of a weak demography back then (Héran, 2016). Exploring historical and other possible reasons for this statistical as well as political lack would undoubtedly be an interesting field of research. It overall probably entails an overestimation of the role of immigration in France's demographic growth (Legoux & Orain, 2014).

³ For further information : [ONS methodology for population estimates mid-2018](#).

demographic change in our two metropolitan regions is therefore to use national statistics despite their heterogeneity and check the coherence of the results with the OECD table (given in the Appendix p.34).

Drivers for population growth: natural change in Paris and immigration in London

The Institut Paris Région has computed statistics on population change in 2014 and 2015 at local levels, using the most recent comparable data from INSEE and ONS statistics at regional level (Région Ile-de-France and Greater London). These results are given in the table below. Both metropolitan regions display the same general scheme as New-York : a positive net natural population change, a positive net international migration but a negative net internal migration (GLA Economics, 2016; Louchart, 2015). In other words every year they “import” more people from abroad than they “export” people to foreign destinations, but more people leave it for the rest of the country than people therein come from the rest of the country.

Drivers for population growth in the Région Ile-de-France (2006-2011) and Greater London (2001-2012)

	Average annual growth		
	1999-2011	2002-2012	
Région Ile-de-France / Equivalent Paris FUR	64 000	90 000	Greater London / Equivalent core
<i>including net natural population change</i>	106 000	69 000	<i>including net natural population change</i>
<i>including net international migration</i>	Between 20 000 and 40 000	91 000	<i>including net international migration</i>
<i>including net internal migration</i>	Between - 70 000 and - 90 000	- 61 000	<i>including net internal migration</i>

Source : (Institut Paris Région, 2014; Louchart, 2015). Negative values appear in red. The detailed table for each year in Greater London is given in the Appendix p.35. For France these are estimates made by demographers from the Institut Paris Région since migration is not computed on a yearly basis.

Beyond this general scheme noticeable differences appear in the weight of each component of growth. The Paris FUR exhibits a particularly high natural balance that almost continuously grew during the last 50 years, from 60,000 in 1960 to about 11,000 since 2005. Moreover the Région Ile-de-France accounts for an increasing part of France’s positive net natural population change : whereas it held 21% in 1960 and 38% in 1990 it represents almost half of it in 2013 (Louchart, 2015). Greater London displays a positive yet lower net natural

population change on average between 2002 and 2012 (+69,000 people), but which is continuously growing from 47,000 in 2002 to 86,000 people in 2012.

Net international migration is conversely the major driver for population growth in London: +91,000 on average between 2002 and 2012. If most recent studies confirm the continuous rise of natural balance in London representing almost half of it between 2010 and 2015 (GLA Economics, 2016), international migration remain the main driver for London's population growth, as it almost continuously was since the mid-1990s (GLA Economics, 2018; GLA Intelligence, 2013; Gordon et al., 2009). According to OECD in 2015 37% of people living in Greater London were born abroad, including 11% from the EU and 27% outside of it (see Appendix p. 34).¹ Conversely only 21% of people living within the Région Ile-de-France was born abroad, including 4% in the European Union and 17% outside of it.²

A structural difference in immigration motives must then be stressed. Immigration in Paris mostly consists in families and students, respectively accounting for 46% and 27% of the 80,000 residence permits granted annually on average in Ile-de-France between 2001 and 2012, work only representing 9% (Sagot, 2015). The Paris FUR absorbs almost half of work permits in France (46% over the same period) and economic motivations remain marginal when considering the whole country, and this since the 1973 oil crisis (Institut Paris Région, 2007b).³ Most recent data on 2016 residence permits for Ile-de-France show an increase of the share of study (30%, + 3% since 2012) and work (16%, +7%) and a decrease in family motivations (36%, -10%), but the same general pattern remains (Institut Paris Région, 2019a).

Conversely the net increase of immigration in London since the mid-1990s was and still is mostly work and study-related. First of all the Long-Term International Migration database from the ONS displays a significantly growing share of London in the net international

¹ The 2014 ONS Annual Population Survey places India on top of the country of birth of the foreign-born population in Greater London (290.000 people, 3.4% of the total London population), followed by Poland (2.1%), Pakistan (1.6%), Bangladesh (1.3%) and Ireland (1.2%).

² In Paris (Ile-de-France), most of the residence permits granted concern African countries (54%), mostly French-speaking countries, including 28% from Maghreb ones, which is not a new trend (Body-Gendrot, 1994), and then 8% people from China. Regarding European immigration, since residence permits – the French main sources for measures - are no longer required, it is quite hard to tell, which probably explains fewer sociological research on this matter as opposed to African immigration (Lillo, Poinot, Lillo, & Poinot, 2014). Yet the OECD data on migrants for 2015 show a clear gap in EU foreign-born new arrivals, which represent 58% of new arrivals in Greater London and only 22% in Ile-de-France.

³ Which of course does not mean that there is not a very long history of immigration in the Paris region (Lillo et al., 2009).

migration to the UK since the 1997, which in 2014 accounts for 41.4% of it (GLA Economics, 2016). Then the ONS migration statistics quarterly report based on the International passenger Survey (IPS) counts 41% of annual inflows in the UK as work-related in 2013, 34% for study and 14% for family reasons – accompanying or joining. However, given the different computing methodologies between France and UK, this proportion is probably overestimated as compared to an actual analysis of the motivation of people having actually settled in London for more than a year.¹ This being said, on the one hand it does not challenge the economic motivation of people actually coming to London. On the other hand, the OECD snapshot data for 2015 leaves no doubt on this structural difference (see Appendix p.34). When only considering the share of foreign-born aged 15 and more, the share for Greater London goes from 37% (total foreign-born population) to 44% (+8%), and this share went up by 7.4% in the last 10 years. In Ile-de-France, this ratio goes from 21% to 25% (+4%) and has only increased by 1.1% over the last 10 years. Moreover, the share of “very-active population” (aged 25 to 54) within the foreign-born population is 64% in Greater London and 56% in the Paris FUR. Eventually the share of settled foreign-born in Ile-de-France reaches 79% against 55% in Greater London, in which the mean presence of foreign-born is 14 years (against 22 in Paris). Therefore, even though directly comparable data does not exist, the prominence of work and study related immigration in London as opposed to Paris – mainly family and to a lesser extent study - is unquestionable.

Leaving the capital: from Paris to France and London to...London

Both metropolitan areas show a negative net internal migration. Let us first similarly assess the issues in such measures. When it comes to internal migration INSEE relies on the exploitation of an “individual bulletin” and especially on the following question : “*Where did you live on January 1st x years earlier ?*”.² During the 2000s x meant 5 years ago and since

¹ Being based on reported intentions of annual flows of migrants, it fails to compute the length of stay above a year and ignores the propensity to actually settle and therefore shape the London population. Indeed the [Migrant journey : fifth report](#) by Home Office research showed that 81% of those having arrived in 2008 by the family visa had settled or obtained valid leave to remain in the UK after five years, and only 53% of those arriving as dependants, 28% of those arriving thanks to a skilled work visa and 16% for study. In other words, inquiries consisting in questioning settled migrants on the reasons for them coming to London or the UK would bring a raise in the share of family motivations.

² For further details, see [INSEE methodology for internal migration estimates](#)

2011 the question is asked for the previous year. The person answering the question then has to precise the previous “communes” of residence if different from the actual one. The whole methodology underestimates the actual number of migrations and migrant,¹ because people can move several times during the time frame considered and having moved while finally come back to their commune. In both cases the evolution to a one-year basis limits the bias. This being said, INSEE invites us to be very cautious regarding analyses on small-scale territories as well as small influx since the sample used for the annual census does not allow such an allocation at communal level.²

As for the UK, ONS does not rely on inquiries but this time on three main administrative sources: the Patient Register (PR), the NHS Central Register (NHSCR) and the Higher Education Statistics Agency (HESA).³ The Patient Register lists all the people in England and Wales that have registered with a National Health Service General Practitioner (NHS GP), which means that people who change residence can be followed through their NHS number and located through the postcode in their file.⁴ This source of information is reliable and covers most of the population in England and Wales. The other two sources are used to partially cover the limitations of the first one. Considering that “*young adults, especially males, are less likely to register with a GP promptly following a move*”,⁵ ONS supplements the calculation with yearly data given by the HESA on both home and term-time addresses of students registered in higher education in the UK. The NHSCR is used to address other limitations of the PR.⁶ ONS

¹ A migration is a durable change of place of residence, whether it means staying in the same commune or changing. A migrant is a person that has made a change of place of residence during the time considered in the census question – 5 years and then 1 year.

² In its methodological note INSEE also indicates that influxes inferior to 200 people – from one commune to another during the time frame considered – should be considered as representative, while those superior to 500 are reliable. The database does not provide movements from a commune to another that are inferior to 100 people.

³ For further details, see [ONS internal migration methodology](#).

⁴ The extract from the Patient Register is given to the ONS at the end of July every year. Assuming as they do that people register with a new general practitioner on average within a month they provide annual data on June 30th.

⁵ ONS, *Internal migration methodology*, June 2016, p.6 : [ONS internal migration methodology](#).

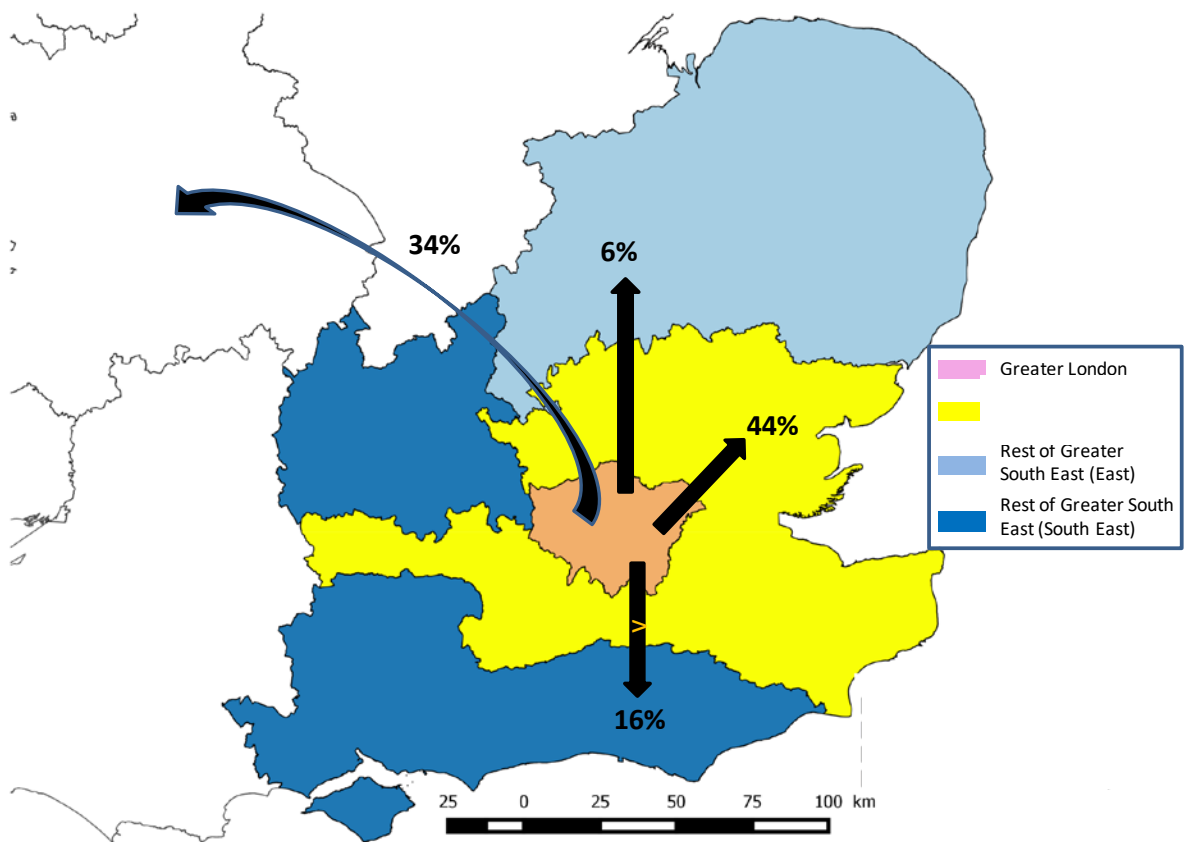
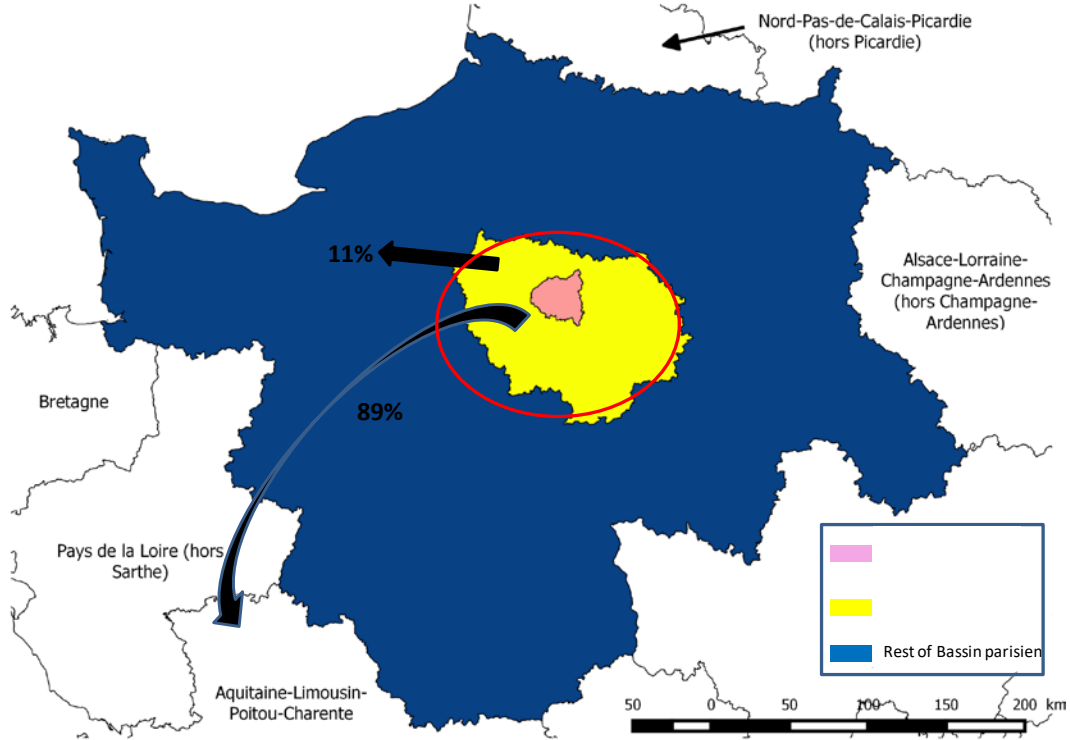
⁶ For instance children under 1 who have moved as they were not born a year earlier ; people who were not in England and Wales a year earlier, but have already moved within England and Wales ; people who had moved since the previous extract was taken and subsequently died or left England and Wales, or interim moves of people more than once during the year.

thereby computes internal migration for England and Wales¹ from every local authority to another on a yearly basis.

Since the methodologies described above are very different, comparisons of internal migration in absolute terms is too tricky. However it is possible to only consider origin-destination patterns, namely the share of people leaving the Région Ile-de-France or Greater London respectively going to the Bassin parisien or further in the rest of France, and to the Greater South East or further in the rest of England and Wales - whatever the annual numbers are - given by the database and our calculations (see for instance Appendix p.40). The use of large comparative scales counters the low representativeness of French statistics at a very local level. The most recent data has been used for France and UK and represented on the map below. Yet for France since the methodology had slightly changed over the last ten years – from a 5-year to a 1-year basis – and since the overall database can be considered as slightly less representative, coherence tests between different databases were carried out. The result given corresponds to the mean for 2003-2008 table on the one hand, and the 2013/2014 and 2014/2015 data on the other. Despite these precautions, the general percentages given shall not be considered as a statistical precise result.

¹ Given the sources used by ONS it is impossible to include Scotland and Northern Ireland in our analysis. Yet since the main focus is the destination of outflows from Greater London this will not be a problem, these moves being very low in absolute terms (Champion, 2005a).

Destination of people leaving the Région Ile-de-France (Mean 2003-2008 and 2013/2014/2015) and Greater London (2014-2015)



Source : INSEE and Office for National Statistics / Maps generated through QGIS software

Yet the analysis displays a sufficiently clear difference. Most people leaving the Région Ile-de-France, when they do not simply settle on the other side of the administrative boundary and in other words stay within the functional urban region,¹ bypass the Bassin parisien and settle in the rest of France, mostly in the Atlantic and Mediterranean coasts and the regional metropolises (see the map in the Appendix p.41) such as Nantes, Bordeaux, Toulouse and Lyon. These results are backed by other works (Institut Paris Région, 2011; Louchart, 2015) and are far from being new trends (Baccaïni, 2011; Boudoul & Faur, 1985). As for the UK most people leaving London every year remain within the functional urban region and the rest of the Greater South East. Which had already been highlighted by previous research (Champion, 2005a, 2005b; Gordon et al., 2009; Hatton & Tani, 2005) and contributes to the overall demographic trends described earlier with the whole Greater South East growing far more quickly than UK. One last element needs to be stressed when it comes to these internal migration trends: both Paris and London exhibit an over-representation of people aged 20 to 39 years-old and an under-representation of almost every other age categories regarding their national spaces (see OECD data computed in Appendix p.35-38). This means that both cities attract young people for the unique higher-education and economic opportunities they offer. Once some of them reach a certain professional level and start having children in their mid-thirties onwards, they leave the metropolitan region – therefore moving young children away from the statistics.

To summarize, when it comes to demographic growth, the general scheme is as follows: London and its whole Greater South East experienced very quick growth especially since the last ten years, more than both Paris and the rest of the UK. This growth is mostly the result of international migration for study and work reasons from the European Union and Asian countries. In residential migration terms, people coming and settling to London then spread within the whole megaregion, which mirrors the increasing demographic divergence between the Greater South east and the rest of the UK. Conversely the demography of the Paris region is flatter since the 1990s. The growth mostly relies on a positive net natural increase and to a lesser extent to immigration, which is in majority a familial one coming from French-speaking African countries and to a lesser extent based on students. People leaving the metropolitan area then bypass the megaregion to settle in regional metropolises and along the Atlantic and Mediterranean coasts. In this respect both countries do not relate similarly to their national territories and Paris displays a demographic integration with the main other cities of its urban

¹ Let us recall that the Paris FUR spreads beyond the administrative region.

system distributed more evenly on the whole country (Veltz, 2012, 2019), at the expense of the Bassin parisien. When it comes to the UK case the strong demographic growth of London seemingly accord the rhetoric of a persistent “North-South divide” (Bambra, Barr, & Milne, 2014; Doran, Drever, & Whitehead, 2004; Dunford, 1995; Durantou & Monastiriotis, 2001; P. Hall, 2008; Leck, 2017; Overman, 2015).

2) Employment dynamics and labour market performances

London grows quicker than Paris and the UK

Both demographic patterns now have to be put in perspective with the analysis of employment and unemployment dynamics in the two metropolitan regions. Local employment estimates are not as tricky as population ones as long as the statistical units used reach a minimal threshold (namely NUTS 3). Because a person can have more than one job, two different yet similar approaches to employment exist: persons (the supply side) and jobs (the demand side).¹ On the supply side both INSEE and ONS rely on annual or trimestral employment inquiries. Throughout the 2000s both countries have applied Eurostat’s recommendations upon methodological standardization of Labour Force Surveys (LFS), allowing confident comparisons based on OECD data. These LFS are carried out on representative samples of the potentially active or working-age population.² Beyond an estimation of total employment they provide estimates for the evolution of labour markets, namely unemployment (with several characteristics on mean duration) as well as the nature of jobs (mostly the share of part-time jobs).

On the demand side INSEE and ONS rely on administrative sources. Every year on December 31st, INSEE provides estimates mostly based on the Déclarations Annuelles des Données Sociales (DADS) that each employer has to make for fiscal purposes, which lists every employees and their gross-wage. The “large” version of these DADS include employees from public administrations recorded through the Système d’Information des Agents des Service

¹ This distinction does not exist in French, the term « emploi » designating both of them.

² A slight bias is worth mentioning in this respect: the potentially active population in France is counted at the age of 15 onwards, whereas it only starts at 16 in the UK. OECD then re-estimates the whole labour-force for 15 to 64 year-olds.

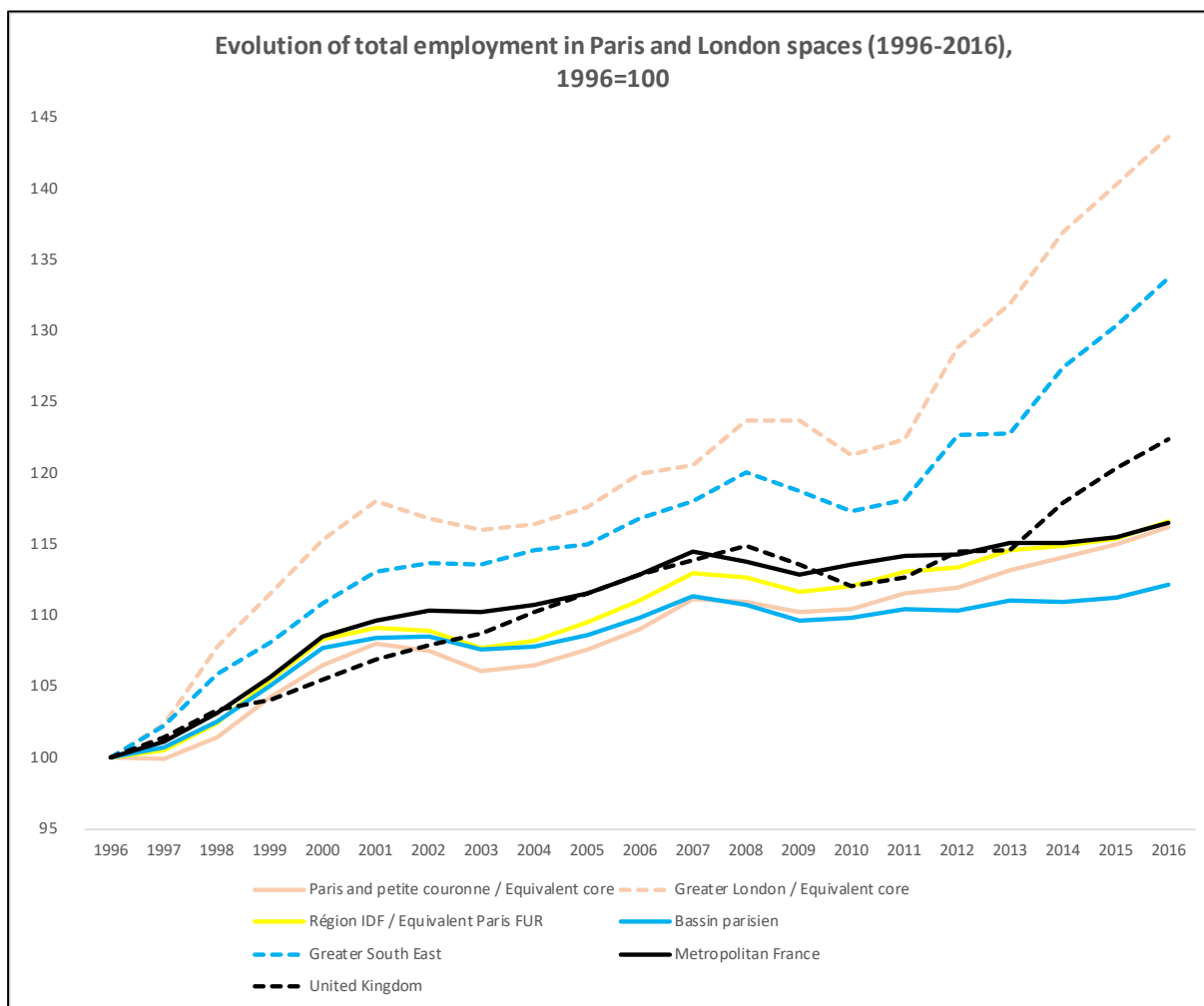
Publics (SIASP).¹ As for the UK the measure on the demand side is given by the Workforce Jobs database, which is based on various administrative² sources as well as inquiries.³ Employment statistics from the demand point of view are less suited for the analysis of the labour-market but better when it comes to the analysis of jobs by industry (see the next part (B) of this chapter).

With regards to global employment estimates, the same trends appear whatever the sources. The graph below displays employment dynamics based on national data from 1996 to 2016 (see database in Appendix p.42). Mirroring demographic trends, employment grows quicker in London and the whole Greater South East as opposed to both Paris and the UK. The second half of the 1990s and especially 2008 onwards appear as boom times for London job creation, which is consistent with previous studies (Gordon, 2011; Gordon et al., 2009). Conversely, employment remains rather flat in both Paris spaces and Metropolitan France with overall dynamics similar to UK but far behind London. From 3.9 million in 1996 the number of jobs in Greater London reaches 5.7 in 2016 (+1.8 million in 20 years, against +0.6 in the Paris core: from 3.6 to 4.2 million jobs). Eventually as for demography Paris even exhibits a comparable yet sometimes flatter dynamic than its country, and the worst trend since the late 2000s is observed in the Bassin parisien, confirming the idea of national integration between Paris and France at the expense of it (our “megaregional” scale). Both national data for wage employment from 1989 to 2013 (see Appendix p.43), later used for the analysis by industry, and OECD employment statistics (2000-2015) based on Labour-Force surveys (see Appendix p. 44), lead to the same observations.

¹ The DADS is supplemented with additional administrative sources for non-wage employment. Data from the Mutualité Sociale Agricole (MSA) is used for non-wage employment in agriculture. For other non-wage employment, information is given by the Agence Centrale des Organismes de Sécurité Sociale (ACOSS), which is the national fund for the Unions pour le Recouvrement des Côtisations de Sécurité Sociale et d’Allocations Familiales (URSSAF). The whole database forms INSEE’s Estel tool (Estimations d’Emploi Localisé). In 2009 it replaced the previous methodology that resembled annual population estimates: census data to which were applied evolution indexes based on various sources (the Acemo inquiry by the DARES, as well as URSSAF and Unedic data). Older data has then re-estimated using retropolation methods. See [overall methodology](#).

² For HM Forces as well as government-supported trainees.

³ Various employer surveys for wage employment and the LFS for self-employment. British Labour-Market statistics have been gathered on a dedicated Website : NOMIS (<http://www.nomisweb.co.uk>). See [overall methodology](#).



Source : INSEE and ONS

Labour market performance

These divergent dynamics call for further investigation on the performance of respective labour markets. In this respect unemployment is the most intuitive indicator for this. The harmonization of national LFSs favours such comparisons in that it is consistent with the definitions set forth by the International Labour Organization (ILO). “Unemployed” is defined as a person without a job, who has not worked a single hour in the reference week of the inquiry, who is actively looking for one and who is available in the next two weeks. In other words it does not take into account part-time jobs and thus part-time unemployment, which is fortunately estimated by OECD from these Surveys (all the tables are available in the Appendix p.45-46).

Unemployment in Paris and London, as well as France and the UK, follow the same general trend: a slight decrease of unemployment from 1999 to 2008 and a raise following the financial crisis, from 2008 to 2013. From then on unemployment decreased on the British side

(7% in Greater London in 2014, 6% in the London FUR, the Greater South East and the UK), while still growing in the Paris core (from 9% in 2013 to 10% in 2014) and stabilizing in the other French areas (10% in the FUR, the Bassin parisien and Metropolitan France).¹ The evolution of unemployment in our spaces appear sensitive to global macroeconomic cycles, but it remains structurally higher on the French side, by 2 or 3 points on average from 1999 to 2014 : for instance from 12% in 1999 to 10% in 2014 in the Paris core, against 8% in 1999 and 7% in 2014 in the London core.

This analysis confirms that specific national or metropolitan structures do play a role in the performance of labour markets. This invites us to go beyond the sole ILO-unemployment indicator, to investigate possible structural differences – as long as comparable data is available - of these ILO unemployment rates: both in terms of age and duration. The share of 15-24 years-old in unemployment is above the average unemployment, which is not surprising since the first years for entering a labour market are amongst the trickiest. On top of that it is higher in both our metropolitan areas than in their respective countries (the Greater South East displays a globally comparable rate to the UK). Logically unemployment for 15-24 year-olds in both metropolitan regions follow the same general trends than unemployment as a whole. Yet it appears more volatile and especially in the case of Greater London : from 14% in 1999 to 25% in 2013 and then back to 19% in 2014, whereas for the Région IDF it went from 21% to 18% in 2013 and then up to 21% in 2014. Everything seems as if the effect of the financial crisis from 2008 to 2013 on London unemployment had been higher than in Paris, and especially on the 15-24 year-olds.

Regarding the duration of unemployment OECD provides the share of unemployed for two years or more (as declared in the LFS), which means that they have not worked a single hour for at least two years. A striking difference appears in this respect since this rate reaches 43% in 1999 and 2014 in the Région Ile-de-France, against respectively 34% and 33% in Greater London – the difference varying around 10% during the whole 1999-2014 time frame. The same differences appear on larger scales with regards to Metropolitan France on the one hand, and Greater South East and the UK on the other. In other words Paris and France display

¹ Most OECD data on regional labour markets are only available until 2014 but more recent publications confirm the persistence of these trends (Faucon, 2018; GLA Economics, 2016).

a higher structural long-term unemployment (slightly smaller for the second, -3% on average) than London and the UK.

This calls for further understanding of unemployment beyond the strict ILO definition (zero hour worked), namely of « under-employment » or « part-time » employment. In this respect French and British employment agencies define different categories of unemployed people depending on the number of hours that the given person has worked during the past week, or the reference week of the LFS.¹ OECD estimates the number of « part-time » jobs from the different LFS by distinguishing people who have worked less than 30 hours and those who have worked more during the reference week.² This allows an estimation of part-time employment, as the share of people in employment that have worked less than 30 hours with regards to total employment, the whole of which on a sufficiently representative sample for computing local statistics.

Mirroring the results for long-term unemployment, Paris exhibits a lower share of part-time jobs in total employment: 13% in 1999 and 16% in 2014 for the Paris core, against respectively 21% and 22% for Greater London, and 24% and 26% for the Greater South East. These differences also appear at national levels, the share of part-time jobs being lower in Metropolitan France (17% in 1999 and 18% in 2014) than the UK, which shows especially high rates (respectively 25% and 27%).

To summarize, on the one hand comparative statistics on unemployment and part-time employment lead to clear differences between both metropolitan areas. The favourable dynamics of employment in London is accompanied with lower unemployment rates, lower youth-unemployment and lower long-term unemployment but a higher proportion of part-time jobs. Conversely Paris is affected by higher unemployment and especially a structural long-term unemployment with fewer part-time jobs. The situation in Paris therefore resembles an insider-outsider scheme in which the employment basis is lower but more stable – fewer part-time jobs – but in which extricating from unemployment is harder – higher long-term

¹ For instance in France people in ILO-unemployment corresponds to the « chômeurs catégorie A ».

² This gives us an idea for the use of part-time jobs in the two metropolitan areas and the two countries, but not a precise picture of under-employment based on detailed hour-categories. This would require to compute data directly from individual responses from both French and British LFS and hope that their respective sample is representative enough so that the responses can be localized. Such a statistical work would constitute an interesting field of research.

unemployment. All of this reflects in higher labour-force participation rates in London.¹ On the other hand all these differences are also witnessed nationally, which reflects the structuring effect of national regulations and/or institutions on metropolitan labour markets and the relationship between the metropolis and the wider spatial equilibrium of its country. This will be a major theme that I will develop further throughout this thesis.

Unequal employment protection

Comparing in a detailed manner the way different countries more or less protect employment is neither easy nor the real object of our present analysis. Neither easy because labour-market “rigidity” or “flexibility” are more often evoked as contextual features than they are clearly defined (Solow, 1998), despite the fact that they refer to more than nominal or real wage regulation issues (European Union, 2009 ; Brookes, 2018). They can for instance relate to the level or maximum duration of unemployment insurance benefits, to the flexibility of permissible hours of work, to potential limitations to high compensations for overtime work, or to the degree of easiness for employers to fire and hire workers, as well as the power of trade unions at various scales or to statutory health and safety regulations. Nor is it the main concern of this thesis since this present chapter highlights respective socioeconomic and demographic dynamics rather than attempts to explain them.²

Nevertheless providing some evidence of these differences in employment protection is necessary to contextualize the statistical evidence highlighted earlier. At national levels the OECD computes an Employment Protection Legislation (EPL) index since 1985. It is based on three sub-indicators: the protection of permanent workers against dismissal (“individual protection”), the degree of requirements driving collective dismissal (“collective dismissal”) and the level of regulation of temporary contracts (“temporary work”).³ The “collective

¹ Detailed statistics are given in the Appendix (p.45-46). Labour-force participation is defined as the share of active people of at least 15 regarding the total population aged 15 or more. It measures the capacity of an economy to include its population of working age within value-creation.

² In this respect unemployment in a metropolitan labour market is the product of a various set of forces, a probably large part of which are beyond its grasp - macroeconomic cycles or national institutions and regulations – and some indeed depending on local and metropolitan considerations – the local matching of labour supply and demand, as far as local coordination between economic actors and employment or professional training bodies are involved, or as far as it depends on mobility issues (« spatial mismatch »).

³ These sub-indicators are themselves computed through various variables, regarding notification procedures, length of the notice period (9 months tenure, 4 years tenure, 20-years tenure), severance pay (9 months tenure, 4 years tenure, 20 years tenure), definition of justified or unfair dismissal, length of

dismissal” is a relative measure which assesses the cost-difference for employers for the disposal of more than one worker. In other words a weak score does not necessarily reflect low collective protection but a small difference between the tightness of individual and collective dismissals. The detailed table for all OECD countries in 2013 on these aspects is given in the Appendix (p. 47).

The EPL index confirms the structural difference between France and the UK when it comes to labour-market regulations.¹ The UK scores poorly (1.1, with an OECD average at 2.0) regarding individual protection, along with other Anglo-Saxon countries such as the United States (0.5) or Canada (0.9), as opposed to France (2.6), Germany (2.7) or Italy (2.4). The same can be said for temporary work, which appears strictly regulated in France (3.8, with an OECD average at 2.1), Spain (3.2) or Italy (2.7)² as opposed to the UK (0.5), Canada (0.2) or the United States (0.3). Eventually, with regards to the protection against collective dismissals, France (3.4), along with Germany (3.6) or Italy (3.8), also scores high whereas the UK (2.9), the United States (2.9) or Canada (3.0) this time score close the OECD average : not that they are specifically protective regarding dismissals, but because there is a relative cost regarding particularly flexible individual dismissal possibilities. To summarize, while the UK has amongst the least regulated labour market in the OECD, France has amongst the highest.

trial period, compensation following unfair dismissal, possibility of reinstatement following unfair dismissal, maximum time to make a claim of unfair dismissal, definition of collective dismissal, additional notification requirements in case of collective dismissals, additional delays involved in case of collective dismissals, other special costs to employers in case of collective dismissals, valid cases for use of fixed-term contracts, maximum number of successive fixed-term contracts, maximum cumulative duration of successive fixed-term contracts, type of work for which temporary work agency (TWA) employment is legal, restrictions on the number of renewals of TWA assignments, maximum cumulated duration of TWA assignments, authorization or reporting obligations regarding TWA and eventually equal treatment of regular and agency workers at the user firm. See the [methodology](#) and a detailed version of the results in Chapter 2 of [2013 OECD Employment Outlook](#).

¹ Other aspects from labour-market regulations can also be found in OECD labour-market databases, such as expenditures and participants to labour-market programmes, statutory minimum wages or evidence regarding collective bargaining (collective bargaining coverage, trade union membership and trade union density, and trends in industrial disputes). Since the point here is to simply pinpoint the existence of a structural difference between both countries in this respect, the sole EPL index is specifically mentioned.

² At the noticeable exception of Germany (1.8) which is below the OECD average when it comes to the regulation of temporary work.

Ultimately, a time-analysis based on these indicators suggests that these clear differences have only very slightly evolved since the mid-1980s.¹ Some countries like Germany, Italy, Sweden, Belgium, Spain, Portugal or Italy have somewhat eased restrictions on temporary work since then, while few have significantly reduced individual protections – mainly Spain, Portugal and Greece. In most of the other OECD countries, thus including France and the UK, these individual protections were not very different in the mid-1980s.² The 2008 financial crisis has increased the pressure on OECD countries for deregulating their labour market as an alleged way for restoring competitiveness,³ which almost none have done - as shown by a comparison of both 2008 and 2013 databases – at the exception of the UK that already exhibited low levels of individual protection. Which generally means that in the case of France and the UK these differences in employment protections can be considered as structural permanent ones. Not that I here assert that they explain employment dynamics and labour-market performances earlier evolved, but simply that they undoubtedly play a structuring role in the nature of national and metropolitan employment and unemployment, and which were therefore worth mentioning here.

3) Divergent dynamics of Gross-Domestic Product (GDP)

GDP and regional GDP

The third major aggregate indicator for assessing the dynamics of both metropolises is Gross-Domestic Product (GDP). GDP measures in monetary terms the value of final goods and services produced by a country through a given period of time – quarters or mostly calendar years – and therefore the output (or production) level of an economy – namely all the firms,

¹ The indicator has itself evolved but mostly through successive updates and improvements and not by complete methodological change.

² This analysis is developed in the [2018 OECD Employment Outlook](#).

³ There is a dense literature on the role of labour-market institutions and regulations on employment, unemployment and economic growth, which does not lead to definitive conclusions (Arpaia & Mourre, 2009; Belot & van Ours, 2004; Blanchard & Wolfers, 2000; Brookes, James, & Rizov, 2018; Elmeskov, Martin, & Scarpetta, 1999; Fitoussi, Freyssinet, & Passet, 2000; Nickell & Layard, 1999; Nickell, Nunziata, & Ochel, 2005; Solow, 1998).

non-profit institutions, government bodies and households.¹ GDP per capita and income per capita are widely recognized as the best summary indicators of the quality of economic development and the quality of economic growth.

At the heart of national account systems, GDP² can be computed in three different ways which all theoretically lead to the same aggregate (Blades & Lequiller, 2014). The “production approach” (1) consists in summing all the “value-added” at each step of production, each “value-added” being defined as the value that each firm adds to that of the firms supplying its inputs. These values consumed during each step of the production process are defined as intermediate consumption, whose deduction from output eliminates double counting. Hence that GDP is here defined as the sum of value-added of each firm, government institution and producing household of each country, plus taxes and minus subsidies on products.

Two other approaches supplement this one. The second one is the “income approach” (2) which sums the incomes generated by the production process, mostly composed of “compensation of employees”³ and company profits, defined as “operating surplus”⁴ or sometimes “mixed income”.⁵ The third is known as the “final demand approach” (3) which computes the level of the two main components of macroeconomic final domestic demand,

¹ The word « Domestic » measures the total production happening within the country as opposed to « National » (The Gross-National Product from previous systems of national accounts), which refers to the total income – outside capital gains and losses – produced by the citizens of a given country both domestically and abroad.

² The relevance of GDP has been questioned with reason since its very inception in the 1960s. Like every statistical indicator it is a historical construction, here as a product of discussions between some American, British and French economists from the 1930s to the 1960s, while national accounting systems were emerging. Some decisions eventually made can indeed be qualified as contingent (Fourquet, 1980; Lepenies, 2016; Méda, 2012). Since then GDP has been continuously questioned as a relevant measure of wealth, especially in the 1970s and during the last 10 to 15 years as an effect of the 2008 financial crisis. Two main limitations of GDP are regularly pointed out. On the one hand it does not take into account domestic work and broadly speaking all voluntary work – which cannot be measured in monetary terms. On the other hand it is not a measure of the well-being of a society. It does not say anything on the distribution of wealth, happiness of its members, and fails to take into account any social or environmental requirements. All these criticisms are relevant. When it comes to our comparative analysis of metropolitan dynamics GDP can nevertheless be considered as a relevant measure, but as neither more nor less than what it is: a quantitative indicator for the level of production of an economy.

³ And not wages since it includes all the social contributions paid by employers.

⁴ Which sums self-employment income, gross-trading profits and surpluses, rental income minus holding gains. When no deduction of the cost of depreciation of capital is made the operating surplus is qualified as « gross » ; and thus as « net » when depreciation of fixed capital is taken into account.

⁵ Which refers to the gross operating surplus of « non-incorporated enterprises ».

namely investment and household final consumption. Investment refers to gross capital formation (GCF)¹ and final consumption covers all the purchases from consumers, including food, clothing, housing services (rents), energy, durable goods,² spending on health, on leisure and on miscellaneous services³ (Blades & Lequiller, 2014). GDP is thus defined in the three following ways leading to a single measure:

$$\begin{aligned} \text{Output (sum of the value added) (1)} &= \text{Income (employees' salaries + company profits)} \\ \text{(2)} &= \text{final demand (household consumption + Gross-Formation of Capital + Net} \\ &\quad \text{exports) (3)} \end{aligned}$$

The definition of GDP by countries taking part in Eurostat and OECD comparisons has been standardized throughout the 1990s thanks to both complementary international systems of national accounts: the System for National Accounts (SNA) of 1993⁴ or the European System of Accounts (ESA) of 1995,⁵ which have since been upgraded without affecting their comparability through time and with one another. Both France and the UK follow the ESA 2010 system which means that their definition and computing of GDP is the same.⁶

¹ Composed by all the acquisitions of machinery (including non-material one such as software) and buildings (dwellings, infrastructures or offices) as well as the constitution of inventories (stocks). When corrected changes in inventories, the whole aggregate is known as gross fixed capital formation (GFCF).

² Distinguishing GFCF and consumption is a specific statistical issue: for instance the purchase of cars is part of the consumption of durable goods (and thus of household expenditure).

³ In this respect it also includes expenditure by « non-profit institutions serving households » (NPISHs).

⁴ See *System of National Accounts 1993*, Commission of the European Communities, International Monetary Fund, Organisation for Economic Co-operation and Development, United Nations, World Bank, 1993.

⁵ See *European System of Accounts 1995*, Eurostat, Luxembourg, 1996.

⁶ When it comes to computing GDPs, for a common given definition, a possible gap could concern the estimation of « illegal » and « underground economy ». The first one relates to all illegal activities – such as the trading of stolen goods or organized prostitution – is in most studies estimated as 1% of GDP in most OECD economies with no notable differences when it comes to France or the UK (OECD, 2014). The « underground economy » designates legal activities that are illegally carried out – in other words not declared in order to avoid paying taxes and social contributions. Also known as « non-observed » economy in statistical terms it is estimated by national statistical agencies through various studies in order to correct the estimation of GDP. For instance, INSEE adjusts the French GDP to around 4%, including 1% for black labour and 3% for tax fraud and tax evasion (Blades & Lequiller, 2014). Wider statistical studies are carried out by the International Monetary Fund, which attest that France and the UK, as developed countries, both experience minor underground economies (Medina & Schneider, 2018), sufficiently marginal not to bias the comparisons of GDP.

When it comes to computing this figure for metropolitan areas as opposed to countries, specific problems arise. Indeed since GDP is the sum of value-added (VA) and since each one of these is formed by output minus intermediate consumption, the localization of GDP/GVA depends on the capacity to locate both output and intermediate consumption. For mono-location firms things are relatively simple. Challenges appear with multi-location firms within which accounting balance sheets are consolidated at headquarters level. How should wealth creation be fairly attributed to each establishment and by extension to each locality? Outputs can be localized through corporate balance sheets consolidated by national statistical agencies but not intermediate consumptions. In other words in the case of multi-location firms allocation of value-added directly from firm statistics is impossible. Following methodological recommendations from Eurostat,¹ INSEE and ONS – and other European countries – proceed the same way for market sectors by allocating GVA to each establishment following the allocation of the compensation of employees.² For non-market sectors – or the non-market part of partially market and non-market industries such as health and education – or some specific sectors such as agriculture, financial and insurance activities and imputed rents, other sources can be used.³ Each of these value-added is then consolidated for each industry and each territorial unit. Local gross value added (GVA) by industry are then summed at each regional scale to form local GDP that are slightly re-adjusted to match national measures.

This methodology impacts results yielded by local GDP and GVA, not as much as absolute values but when they are used for computing productivity indicators and thus inferring theoretical higher productivity of metropolitan areas and setting out public policies accordingly. First of all it becomes less reliable with diminishing size of the reference territorial unit, simply because allocation keys lose as much reliability, which explains why Eurostat and OECD do not publish data on lower levels than NUTS 3.⁴ Fortunately, these statements do not limit the

¹ The computing of GDP and GVA at NUTS 1, 2 and 3 levels has been rendered compulsory by Eurostat in 2010 onwards.

² INSEE does this thanks to the data gathered in two main statistical tools : *Connaissance Locale de l'Appareil Productif (CLAP)* and *Elaboration Statistiques Annuelles d'Entreprises (ESANE)*. For regional allocation of GVA ONS rely mostly on the *Annual Business Survey (ABS)*, the *Annual Survey of Hours and Earnings (ASHE)* and the *Business Register and Employment Survey (BRES)*.

³ The detailed methodologies is available for [France](#) and the [UK](#).

⁴ Hence the difficulty of computing reliable GDP for most urban areas which are smaller than NUTS 3 and defined with precise statistical units through commuting patterns. Attempts at computing local GDP at these levels of precisions for measuring economic growth and productivity ratios for a wider range of urban areas have been continuous since the 1990s (Prud'Homme, 1997; Rousseau, 1998; Travers et al.,

analysis on both large metropolitan regions identified using a NUTS 3 framework. Yet these are confronted to a specific bias, in that being capital cities on top of primate urban systems they naturally shelter headquarters and display the highest wages in the given economy, which affect allocation keys positively and can overestimate GDP in capital regions.¹

Measuring economic growth and comparing international GDP: deflators and purchasing power parities (PPP)

With this context in mind, economic growth whether national or regional is simply computed by the evolution on GDP between two consecutive quarters or years. This is widely known as being the growth-rate of an economy. Since each GDP measures the volume of goods and services produced and made available to consumers and investors in monetary terms, the growth of this aggregate can either rely on an increase of this volume or a price increase of these goods. Computing GDP growth thus requires converting an estimate in volume – each of which being computed in current prices - to an estimate in value through what is known as the volume / price breakdown. The methodology consists in computing annual price level indexes themselves used to cancel the effect of inflation of economic growth through the simple formula: **value = price x volume**.

These “deflators” are annually computed by OECD for each country based on national accounting evidence provided by them. They consist in monitoring the annual evolution of prices of all different goods and services in an economy and compute a weighted average of prices following the respective importance of each good and service in this economy.² Hence the distinction between deflators used for GDP and ones used for Income, which are both based on different weighting.³ Both deflators used for computing GDP growth in value and income – used in the second part of this chapter – are given in the Appendix (p.48).

1997; Yatta, 1999) and have gradually improved ever since (Aguilera et al., 2018; Brown & Rispoli, 2014; Kosareva & Polidi, 2017; Rosenthal & Strange, 2004).

¹ This bias explains some criticisms concerning the relevance of metropolitan GDP and of the idea of a higher productivity of large agglomerations (Bouba-Olga & Grossetti, 2015). This debate is tackled theoretically in the second part of this chapter and empirically in the third one.

² In this respect they are slightly different from Consumer Price Indexes (CPI) which rely on a fixed basket of goods and services, even though each provide a measure of inflation with regards to a specific base year. The detailed methodology is developed in the following links for [INSEE](#) and [ONS](#).

³ More detailed deflators by industry are also computed for correcting the evolution of GVA for each industry. This is not mentioned here since the second part of this chapter does not attempt to compare productivities of different industries in the two regions.

An unsolved problem remains when adjusting GDP/GVA with inflation: deflators are national measures, which are here used for correcting regional measures. Statistical agencies have recently attempted to compute local prices indexes but never achieved it. There are two main reasons for that. The first one is a statistical challenge: prices can be locally measured but price indexes - being a weighted average of prices – depend on the variety of economic actors. For instance poor, rich, young or old people do not consume the same goods and services. Therefore, computing local price indexes would require computing price indexes for a wide range of socioeconomic and demographic categories of the national population – which would require huge statistical resources – before allocating these prices according to the specificity of the given locality. Which raises the second issue, a theoretical one: would anyone keep the same consumption structure in a different place, namely in a large metropolitan regions? In other words computing local price indexes by adjusting to its socioeconomic and demographic specific structure, assuming that it is statistically possible, would presuppose that living in such large metropolitan areas do not *per se* modify the structure of consumption. Statistical agencies have tried to measure this very phenomenon but for the time being local measures expressed as monetary aggregates have to be adjusted by national indexes.

One last issue occurs in our case when dealing with comparing such data between Paris and London: currencies differ. France use the Euro (EUR or €) and the UK the British Pound (BPD or £). If comparisons in dynamic terms are still possible with different currencies, even though they can also be misleading, there are no longer relevant when it comes to absolute value comparisons. Statistical observations and academic research have long observed that exchange rates between currencies are more volatile than national price indexes (OECD, 2012; Schreyer & Koechlin, 2002; Vachris & Thomas, 1999). In other words they do not reflect the purchasing power of national currencies within their domestic economies, being affected by multiple other factors such as currency speculation, government action, interest rates or international capital flows.

This led to the theorization of “purchasing power parities” (PPP)¹ as currency converters that express the price difference of a same good or service in the different countries. For instance, if a good A costs 3.5£ in the UK and 4.2€in France, the PPP between UK and France

¹ The idea harks back to 1916 and to the Swedish economist Gustav Cassel who was trying to determine the right stabilizing rate for a currency that was especially jeopardized by inflation.

is 3.5£ to 4.2€ or 0.83 pounds to the euro.¹ Which means that for every euro spent in France on the good A, 0.83 pounds would have to be spent in the UK. Eurostat and OECD in the 1980s onwards have developed a dedicated programme (Eurostat-OECD PPP Programme) for calculating PPP which today relates to more than 3,000 products gathered in aggregated groups and representative of each component of GDP : consumption, investment and net exports (“final demand approach”).² Despite the same inevitable limitations as national deflators – they are national indexes - these PPP are used as both currency convertors and deflators for GDP, GVA and income comparisons.³

To summarize, GDP, GVA and income measures can be expressed in four ways: in national currency at current prices, in national currency at constant prices (when corrected with national deflators), in current dollars at current prices after yearly correction by PPP but not by price indexes for time comparisons – which is *per se* not very relevant – and eventually in constant dollars at constant prices. Despite their unequal economic relevance these different indicators have all been computed with each of these four possible units to control their effect on statistical results and are available in the Appendix, while PPP used for GDP is being given p.48.

Divergent dynamics in favour of London

All these important issues when dealing with monetary aggregates being settled, GDP can be computed at our different scales for Paris and London and are available between 2000 and 2015. The detailed data for each four methods is available in the Appendix (p.49-56). In 2000, the region Ile-de-France displayed a GDP of 421 billion euros in 2000 and of 668 billion euros in 2015, against respectively for the equivalent London FUR of 347 billion pounds in 2000 and 647 billion pounds in 2015. After all the conversions described above to get values in constant dollars with constant PPP (index 2010), the GDP of the Région Ile-de-France was 590 billion dollars in 2000 and 745 billion dollars in 2015, against respectively 615 and 856 for the equivalent London FUR.

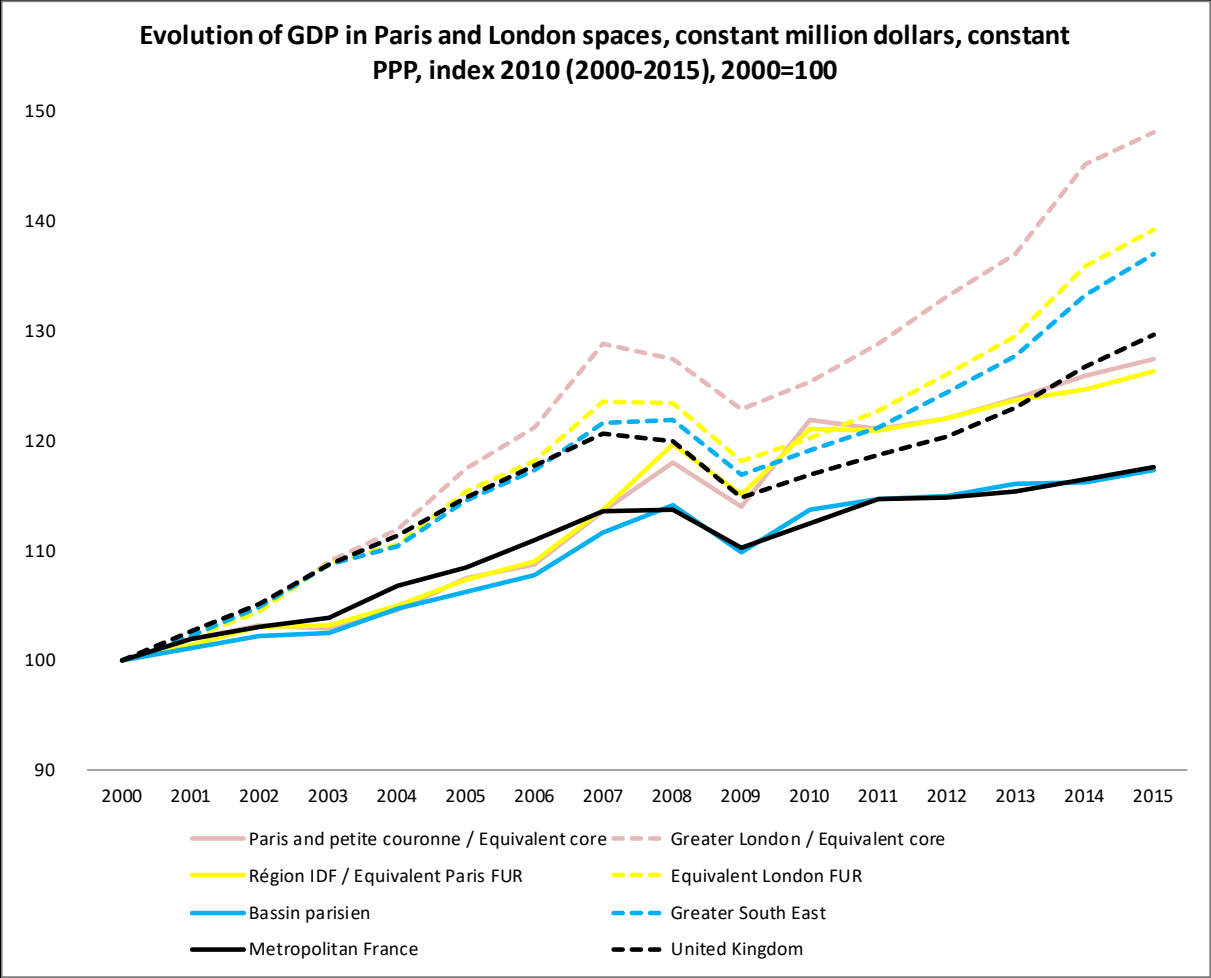
The graphs below represents the respective dynamics for GDP in constant dollars and constant PPP. London appears more dynamic than both Paris and the UK, especially in 2000-

¹ The well-know « Big Mac Index » developed by *The Economist* is an example of single-product PPP.

² Hence that such like deflators, different PPP are published for GDP, GVA by industry and income.

³ For the detailed calculation methodology used in the Eurostat-OECD Programme, see this [link](#).

2007 and in 2009 onwards once the effect on the 2007-08 financial crisis on growth, easily visible here, seemed to have passed. Unlike population and employment growth, the Paris core and the Region Ile-de-France exhibit better dynamics than wider spaces – the Bassin parisien and Metropolitan France showing similar flat evolutions. Both metropolitan regions perform better than their respective countries, which is of course partly due to the construction bias of local GDP mentioned earlier. But these bias are the same when comparing the two countries and the two metropolitan areas. Given that both are ahead of primate urban systems, the tendency to concentrate corporate headquarters in the capital region can reasonably be considered the same, which means that this divergence of London regarding Paris is not a pure statistical illusion.¹



¹ Every other method shows the same results.

To summarize this dense first part on the respective evolution three major variables such as population, employment and GDP, London performs better than Paris and the rest of the UK. Conversely, except for GDP, Paris seems less dynamic than Metropolitan France. The data from the OECD metropolitan database for Paris and London (and France and the UK) available in the Appendix (p.98-105) lead to the very same conclusions.

B- Qualitative growth

This second part completes the diagnosis on the dynamics of Paris and London with further variables. Considering available evidence and trying to cover as much aspects of metropolitan growth as possible, five dimensions are therein developed: productivity (1), economic specialization (2), innovation (3), income and inequalities (4) and various measures of “well-being” (5). They can hopefully provide a complementary more “qualitative” perspective on metropolitan growth.

1) Productivity

A higher labour productivity in Paris and France

Methodological issues regarding the elaboration of local GDP are especially pondered by academic research when it comes to computing productivity ratios. The idea that the spatial concentration of firms and households in cities and especially large metropolitan areas was the source of productivity gains is indeed at the heart of New Economic Geography (Combes et al., 2012; Duranton & Kerr, 2015; Fujita & Thisse, 2002; Krugman, 1991; Puga & Duranton, 1999). Which in this respect has largely contributed to providing theoretical and empirical evidence to the understanding of agglomeration processes that are today witnessed at large scales and worldwide. Cities and especially large agglomerations are the source for productivity gains, which means that they increase the level of output at a given level of input or reduce the level of inputs for a given level of output.

When it comes to Paris and London, statistics earlier presented seemingly allow us to compute simple ratios of GDP per capita and GDP per employment¹ (see Appendix p.49-56). Once corrected by PPP and at constant prices the Paris core and Greater London respectively exhibited in 2000 a GDP per capita of \$68,808 and \$53,811 (+28% in favour of Paris) which reached \$80,330 and \$66,523 in 2015 (+21% in favour of Paris). When it comes to functional urban regions the GDP per capita in the Région Ile-de-France and the equivalent London FUR was respectively in 2000 \$53,527 and \$45,578 (+17% in favour of Paris) and in 2015 \$61,636 and \$54,511 (+13% in favour of Paris). Eventually higher values in Paris appear at national level, respectively for France and the UK: \$35,356 and \$32,730 in 2000 (+8% in favour of France) and \$38,063 and \$38,384 in 2015 (this time slightly in favour of the UK).

Labour productivity (GDP per employment) in France appear structurally even higher than GDP per capita. For Paris and London cores it was respectively \$107,075 and \$90,394 in 2000 (+18% in favour of Paris) and reached \$127,317 and \$110,788 in 2015 (+15% in favour of Paris). The Region Ile-de-France and the equivalent London FUR respectively reached \$100,458 and \$84,926 in 2000 (+18% in favour of Paris) and \$119,398 and \$99,798 in 2015 (+20% in favour of Paris). Eventually at national levels France and the UK respectively display a GDP per employment of \$81,027 and \$70,162 in 2000 (+15% in favour of France) and of \$89,214 and 79,831 in 2015 (+12% in favour of France). Thus when it comes to labour productivity London and the UK both score respectively lower than Paris and France. This weak labour productivity – sometimes referred to as the “UK productivity puzzle” - has been a British feature for decades and became regularly pointed out and analysed by academic research (Carlin & Soskice, 2018; Goodridge, Haskel, & Wallis, 2018; Tenreyro, 2018).

These measures of the higher labour productivity of Paris to London can be corrected from national differences, which imply computing their respective higher productivity to their countries. Paris and London cores were respectively 33% and 16% more productive in 2000, ratios that reach 43% and 39% in 2015. Once corrected from national differences² this entails

¹ Other inputs can be used for the calculation of productivity. For instance GDP per hour worked is a common measure for labour productivity, which cannot be determined here since the number of hour worked for local areas is neither carried out by INSEE nor done by Eurostat or the OECD. The productivity of public and private capital can sometimes be used as well (Rousseau, 1998).

² Through the following simple formula: higher labour productivity of Paris to London (without national differences) = national labour productivity differences x higher productivity of Paris to France / higher productivity of London to the UK.

a higher productivity of the Paris core of 30% in 2000 but only 13% in 2015. At FUR levels the Région Ile-de-France and the equivalent London FUR were respectively 24% and 21% more productive in 2000 and then 34% and 25% in 2015, which results in a higher productivity of Paris to London outside national effects of 17% in 2000 and 16% in 2015. Applying the same methodology a group of researchers from Paris and London¹ in their 1997 report *Two Great Cities* had estimated the higher productivity of the Région Ile-de-France to Greater London at 19.7% in 1994² (Travers et al., 1997). On the same statistical boundaries³ our data lead to a higher productivity of 22% in 2000 which is consistent.

Making sense of productivity differences

Productivity is amongst the trickiest notion in economics, whether in empirical terms or regarding causal identification. First of all in empirical terms as we have seen with the calculation of local GDPs or when it comes to choosing and computing the different inputs – inhabitants, employment, hours worked or others such as public or private capital. Other approaches on agglomeration economies have also tried to assess the higher productivity of cities by focusing on the wage premium paid to workers of a specific urban area as compared to other urban areas or rural areas (Combes, Gobillon, & Lafourcade, 2015). These wage premiums are in this perspective the expression of the higher productivity of firms and establishments located in big cities (Combes et al., 2012; Henderson, 2003). Edward Glaeser has for instance shown in the United States that average wages given to workers in US urban areas was 30% higher than those given in rural areas (Glaeser, 2011). Other studies show that these differences are just as strong in European economies, such as Spain (de la Roca & Puga, 2017) or France – in which the average wage of a worker in the Région Ile-de-France from the private sector is 24% higher than in the rest of France (Combes, Duranton, & Gobillon, 2015).

¹ From the *Centre for Economics and Business Research* (Douglas McWilliams, Mark Pragnell and Mihir Warty), from the *Observatoire de l'Economie et des Institutions Locales* (Laurent Davezies, Chang-Woon Lee, Bernard-Henri Nicot, Rémy Prud'homme and Marie-Paule Rousseau), as well as Tony Travers (*Greater London Group and London School of Economics and Political Science*).

² This was before local GDP calculations were harmonized by the Eurostat and OECD, which required a heavy statistical work on the allocation to regions, mainly because of three major differences : (1) the ONS used to allocate GDP on the basis of residence, whereas INSEE was already doing it on the basis of activity as required by the European convention ; (2) the ONS used to allocate the adjustment for financial services to the banking sector, while INSEE did it to the non-banking sectors ; (3) the ONS regional accounts were valued at factor costs and not at market prices (INSEE).

³ Data were only available at regional level back then, which meant that the authors had to compare the Region Ile-de-France to both Greater London and the Greater South East.

Empirical research assessing the role of firms in these agglomeration economies has made significant progress over the last twenty years thanks to new datasets on firm and establishment-levels (Duranton & Kerr, 2015), allowing new approaches to the advantages of large cities. Thus Gilles Duranton and Henry Overman have developed dynamic measures of spatial concentration of firms (Duranton & Overman, 2005), while other evidence on the role of firm entry and exit have emerged (Dumais, Ellison, & Glaeser, 2002; Glaeser, Kerr, & Kerr, 2015; Klepper, 2010) and while new measures of productivity spillovers have been developed throughout the 2000s (Arzaghi & Henderson, 2008; Rosenthal & Strange, 2004). Eventually the role of firm selection in the production of productivity gains in large agglomeration has been highlighted as well (Combes et al., 2012).

When it comes to making sense to such productivity differences, Gilles Duranton and Diego Puga have distinguished between three sources for productivity gains through spatial concentration of firms: sharing, matching and learning (Duranton & Puga, 2004). *Sharing* refers to all scale economies generated by the mutualisation of goods and services, as well as of big infrastructures but also of market risks. In this perspective firms and/or industries with increasing returns to scale tend to gather their production units to decrease their unitary production costs, and large agglomerations are the privileged locations for carrying out economies of scale. Their spatial concentration is also all the stronger as transport costs are low – both delivery of inputs or transport of outputs for final consumption. In this respect, on the one hand these costs decrease with the spatial proximity of suppliers and clients, but also on the other thanks large transport infrastructures that large agglomerations shelter – highways, rail networks and train stations or airports, which themselves follow scale economies location patterns. Spatial concentration of firms thus attract more workers/households, which increases local demand and therefore favours the entry of new firms.

Sharing also refers to external returns to scales or *externalities*, as opposed to the advantages previously described which only concern the firm's internal production process. These *externalities* comprise the different positive (and negative) effects of a location to the firm that are not mediated by a price relation. On the one hand they can rely on all the advantages linked to the proximity of other firms from the same industry, within specialized locations or clusters – such as Silicon Valley or Rouge 128 (Saxenian, 1994) - and more

generally within cities (M. Porter, 1998). They are then named *specialization externalities*.¹ On the other hand when they are linked to the extra-industry advantages to the firm they are qualified as *urbanization externalities*. The advantages are here a product of the economic diversity inherent to large cities and to the exchanges between different industries that they favour (Jacobs, 1969). This diversity can allow better spreading of innovations throughout all different firms within the city but also protect the whole metropolitan economy from sectoral shocks in the case of mono-industrial cities.² Large cities allow better resilience to shock affecting specific branches, through better reallocation of jobs from decaying industries to other ones, resulting in lower structural unemployment and lower risks for labour shortage. Large metropolitan areas somewhat act like what Pierre Veltz names an “insurance offer” [“offre assurantielle”] to firms (Veltz, 1994, 2012, 2019).

Matching refers to the fact that the matching of supply and demand is more effective in large agglomerations. A larger market allows wider and finer division of labour.³ The presence of various firms and industries within a location attract workers with a various range of skills which in return favours specialization and better matching of labour supply and demand. This snowball effect relies on the one hand on firms that find an array of different skills in the same environment that their development requires, and on the other hand on workers that can pick job offers that better suit their skills and therefore get better wages.

Eventually *learning* rely on the endogenous effects of the social interactions and information spillovers happening within cities and more especially between the more qualified workers. In such locations as industrial districts or large agglomerations, learning processes can become quicker, cheaper and more efficient, allowing better appropriation of innovations and in the end improve the chances for new ones. In this respect *learning* supplements *specialization*

¹ Academic literature sometimes also mention them as *location externalities*, *Marshallian externalities* or *MAR* by reference to Alfred Marshall, Kenneth Arrow and Paul Romer who have all studied the formation of industrial districts (Combes, 2000).

² On the most famous example is Detroit which has experienced fast-economic and urban growth during the first half of the 20th century with the concentration of most of the activities of Ford, General Motors and Chrysler, before entering into a specular population and employment decline. The specialization of the city in automotive industry thus had produced *specialization externalities* but the lack of economic diversification eventually jeopardized the city when it faced a sectoral shock affecting automotive industry.

³ This feature had already been stressed by Adam Smith in his famous essay *An Inquiry into the Nature and Causes of the Wealth of Nations* (University of Chicago Press, 1776).

and *urbanization externalities* but in a “dynamic” perspective,¹ in the sense that agglomerations also gradually improve economic inputs themselves by collective learning. Some cities or locations favouring this kind of collective learning and in the end produce endogenous growth are sometimes referred to as an “urban and innovative milieu” (Camagni, 2002; Camagni & Capello, 2017; Camagni & Maillat, 2005).

Thus, productivity gains through agglomeration processes can happen through various canals. Coming back to better understanding the structural labour higher productivity of France to UK and of Paris to London, all the more caution ought to be exercised. As previously mentioned there is a structural higher per capita and labour productivity of France to UK and of Paris to London that can generally be taken for granted. How about in dynamic terms? As seen in the Appendix (p.49-56), between 2000 and 2015, with GDP expressed in millions of national currency and constant prices (2010 index), the dynamics of GDP per capita and GDP per job appear slightly in favour of London (p.51). When considering GDP in millions of current dollars (current PPP) the dynamics are rather the same (p.53-54). Eventually, when computing GDP in constant million dollars (constant PPP, index 2010), the dynamics of GDP per capita favour London while those of GDP per job are the same (p.56). On other words, there are too many different parameters to conclude that productivity gains would be higher in London than in Paris between 2000 and 2015.

On the long-run productivity gains are everything when it comes to the existence and growth of cities. However on such short time frames measuring them more precisely would require dedicated research, but interpreting them would even be extremely tricky. For instance productivity gains or high productivity in the case of an economy that is not very dynamic in demographic, employment and GDP terms (like Paris) could reflect a situation in which rents in some industries are extremely high and in which low economic mutations allow better rationalizing of production processes. Conversely low productivity or low productivity gains in an economy that is more dynamic in the same terms (like London) could reflect a situation in which quick transformations thanks to new economic opportunities generate loss and inefficiency on the short-run before hopefully entering into optimization processes. In other words on such short time frames productivity differences shall not lead to definitive conclusions. The existence of a structural per capita and higher labour productivity of Paris to

¹ Which is why academic literature often distinguishes between “static” and “dynamic” productivity gains, the second ones referring to *learning* (Combes, Gobillon, et al., 2015)

London is a feature that can reasonably be taken for granted. But in order to hopefully better understand it – explaining it would be a little too presumptuous – additional dimensions must be considered. In accordance with the literature on agglomeration economies earlier mentioned this work has chosen two: economic specialization (2) and innovation (3).¹

2) Some stronger specializations in London

Assessing specializations in Paris and London

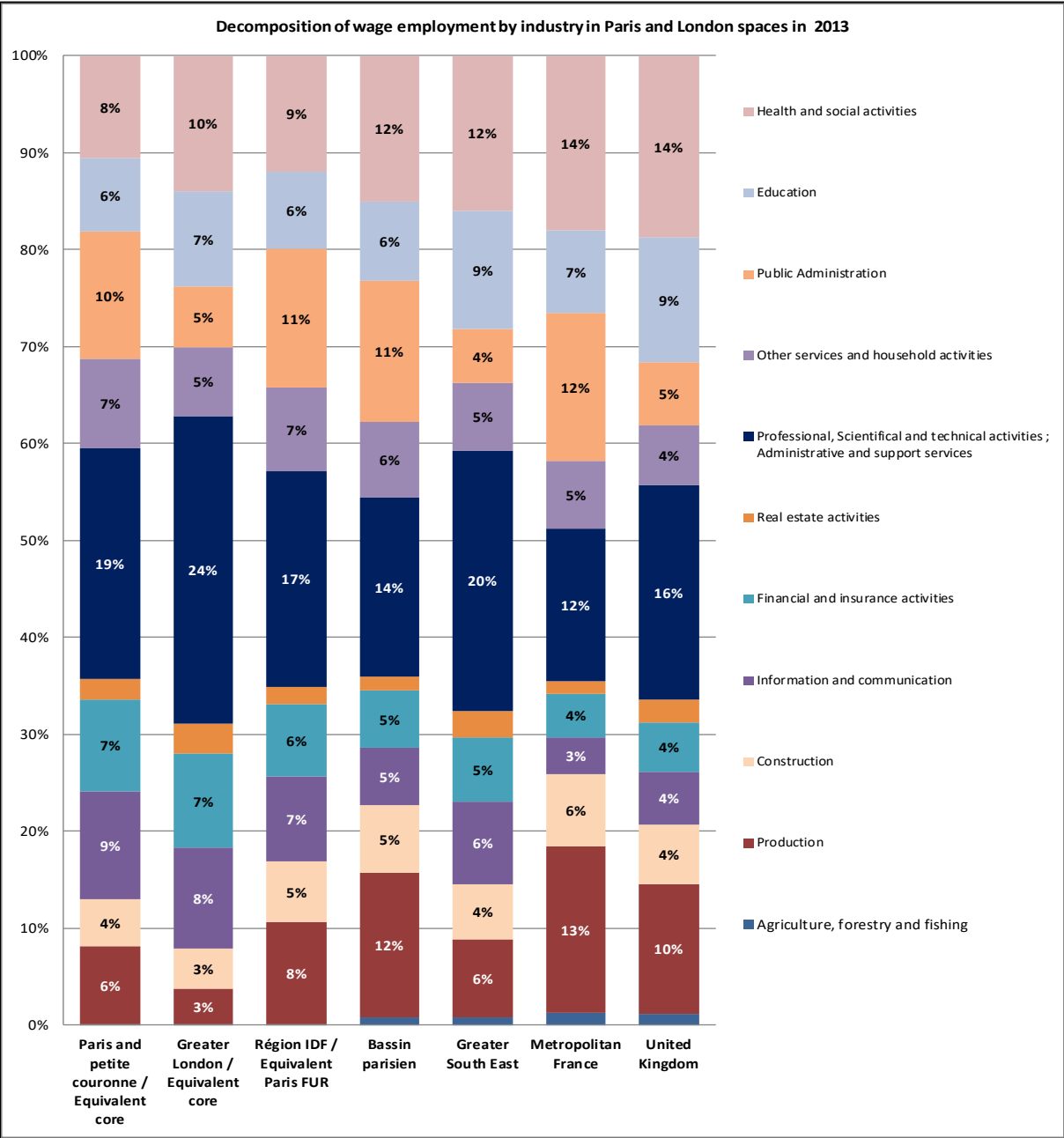
Specialization (or diversification) of an economy refers to an analysis by industry. Whether in terms of employment or Gross-Value Added (GVA) the different industries are classified in the “Nomenclature des Activités Françaises” (NAF) in France and the “Standard Industrial Classification” (SIC) in the United Kingdom, while a third nomenclature is used by Eurostat: the Statistical Classification of Economic Activities in the European Community commonly referred to as NACE (for the French “Nomenclature statistique des Activités économiques dans la Communauté Européenne”). Previous research on the economic bases of both metropolitan areas and their evolutions have stressed the sensitivity of the results to the evolution of each national industry nomenclature (Beckouche, 1994; Gilli, 2005). Fortunately in the 2000s onwards each of these were progressively harmonized for comparative purposes. The “NAF rev.2” in France which replaced in 2008 the previous 2003 “NAF rev.1” can easily be converted to the SIC 2007 and the 2008 NACE rev.2 that is still the reference nomenclature.² Comparability issues only occur at very precise levels of industry classifications. Therefore a common classification could confidently be built using the principle of the smallest common denominator. The detailed correspondence table for Gross-Value Added (10 different industries) is available in the Appendix p.57 and the one used for employment (20 different industries) p.64.³ Eventually older data was converted in the most recent systems through updating by INSEE, ONS and OECD to make it comparable through time. Data for GVA comes

¹ Both are voluntarily “metropolitan” dimensions of productivity gains. Yet in this case it is pretty clear that stronger employment protection plays a role in the higher labour productivity of France to UK – and also of Paris to London – through a higher elasticity of substitution between labour and capital.

² The correspondence tables and methodology for the common NACE rev.2 are available [here](#).

³ Regarding employment, only wage employment is considered.

from the OECD database since different deflators have to be used for each different industries. These data cover the 2000-2012 time frame and are given in millions of national currencies at constant prices (index 2010) in the Appendix (p.57-63).¹ As for employment national data was used, given the comparability of NAF rev.2 and SIC 2007, which allows a wider timeframe: 1989 to 2013 (see Appendix p.65-73).



Source : INSEE and ONS

¹ Since the comparison does not apply to GVA by industry in absolute monetary terms but only to the relative share of each industry, converting the tables in a common currency through PPP is unnecessary.

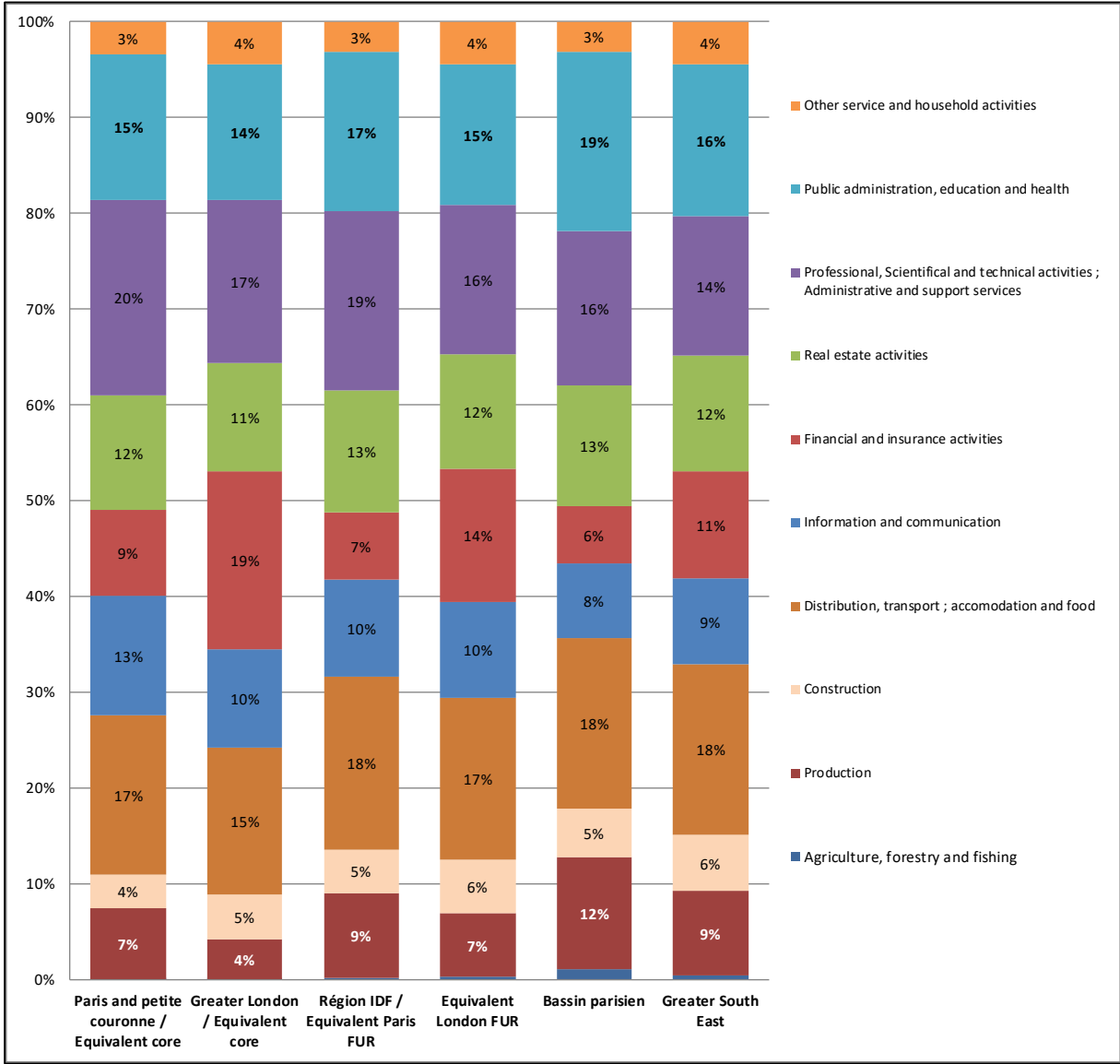
First of all, both countries and especially capital cities have experienced similar metropolitan economic transitions, namely the growth of services activities and mostly “financial and insurance activities” (p.70) and “business services” (p.71) – which are part of the general category named “Professional, scientific and technical activities; administrative and support service activities” - at the expense of production activities (p.70). This is consistent with numerous other analyses on metropolitan economies (Sassen, 1991, 1994, 2004, 2007; Veltz, 1994, 1996) and on both Paris (Beckouche, 1994; Bourdeau-Lepage, 2013; Halbert & Pain, 2010; Julien, 1995; Veltz, 2012, 2019) and London (GLA Economics, 2016; Gordon et al., 2009; Overman, 2015; Polese, Shearmur, & Terral, 2014; Wingham, 2016). When brought back to their respective national spaces (see for instance the 2013 decomposition of wage employment by industry above but also the GVA decomposition below and all the data in the Appendix p.64 to p.73), both cities shelter a higher proportion of “Professional, scientific and technical activities ; administrative and support service activities”, “financial and insurance activities” or “information and communication”, and a smaller proportion of “public administration”, “health and social services”, “production” and “agriculture, forestry and fishing”.

Yet both capital regions exhibit noticeable differences when compared with one another. Regarding “financial and insurance activities”, both cities overall seem equally specialized in relative employment terms (6-7% of total wage employment in 2013, with a general trend since 1989 slightly in favour of Paris as seen p.70). However GVA analysis reveal very different dynamics (Appendix p.62). Growth was significantly higher in the case of London and the Greater South East between 2000 and 2012. In 2012 the share of “financial and insurance activities” in Greater London’s GVA reached 19% in 2012 (12% in 2000, with a decrease between 2007 and 2008 due to the financial crisis but then a rebound in 2009 onwards) against 9% in the Paris core in 2012 (8% in 2000, with a general flatter pattern). For a similar share of their respective employment, London produces a significantly larger part of its GVA through “financial and insurance activities”, which means in other words that “finance” in Paris does not shelter comparable activities and expertise than in London.¹ Of course finance is only a part

¹ Indeed Paris was never a first-class global financial centre like London or New-York, which is the very reason why Saskia Sassen in her famous 1991 book *The Global City* did not include Paris. The Global Financial Center Index of 2007 ranked Paris at the 11th place while the 2018 edition ranks it at the 23rd place, far behind New-York, London, Honk-Kong, Singapore and Tokyo. The 2014 study by the Greater Paris Investment Agency and the Chamber of Commerce and Industry stresses an array of possible reasons for this decay (PICE, 2014).

of a metropolitan economy. Yet it plays a central role on the general attractiveness of a location that has been widely analysed for further industries through important multiplier effects (Buck, Gordon, Hall, & Kleinman, 2002; Gordon, 2011, 2016; Gordon et al., 2009).

Decomposition of GVA by industry in Paris and London spaces in 2012



As for the other main group of economic activities at the heart of metropolization processes – “Professional, scientific and technical activities; administrative and support service activities” – significant differences appear as well. The general trend between 1989 and 2013 is quite similar (Appendix p.71), though favourable to London in the mid-2000s onwards. However when looking further into details London and the Greater South East have been more

dynamic when it comes to employment in “Professional, scientific and technical activities” (p.72). When only considering “administrative and support service activities”, the dynamics are rather similar at the exception of Metropolitan France for which the job creation was way higher in the mid-1990s onwards (p.72).

These two categories are composed of different activities.¹ “Professional, scientific and technical activities” refer to more-skilled services and non-routine tasks: mostly “legal and accounting activities”, “activities of head offices”, management consultancy activities”, “architectural and engineering activities”, “technical testing and analysis”, “scientific research and development”, and “advertising and market research”. As for “Administrative and support service activities”, it refers to less-skilled services and more routine tasks that support general business operations: mostly “rental and leasing activities”, “employment activities”,² “travel agency, tour operator and other reservation service and related activities”, “security and investigation activities”, “services to buildings and landscape activities” and “office administrative, office support and other business support activities”. In other words both services sub-categories are unequal when it comes to skills.

As shown in the table below (1989 to 2013) job creation in “professional, scientific and technical activities ; administrative and support service activities” was higher in London (+507,000 in Greater London, 43% of the total wage employment created, against +220,000 in the Paris core, 35% of total wage employment created). In addition, the share of skilled business services was higher in these new jobs, since 27% were “professional, scientific and technical activities” in Greater London (16% for the second category), against respectively 21% and 14% for the Paris core.³ On the same timeframe the Region Ile-de-France created 335,000 jobs in this whole category (32% of the total wage employment creation), including half of each of the two subcategories. At a megaregional level the Bassin parisien was mostly driven by the “administrative and support service activities” (17% of total wage employment creation against

¹ The following details are provide by Eurostat’s *NACE Rev.2 – Structure and explanatory note*.

² This category “includes activities of listing employment vacancies and referring or placing applicants for employment, where the individuals referred or placed are not employees of the employment agencies, supplying workers to clients’ businesses for limited periods of time to supplement the working force of the client, and the activities of providing other human resources” (Eurostat, *NACE Rev.2, Structure and explanatory notes*, p.280).

³ Unfortunately computing the share of each subcategories mentioned before is impossible without taking the risk of misinterpretations.

12% for “professional, scientific and technical activities”), while the Greater South East exhibited a majority a “professional, scientific and technical activities”: +982,000 jobs in the whole category (37% of total wage employment creation), and a majority a high-skilled services (21%, against 16% of “administrative and support service activities”).

Detailed change of wage employment in “Professional, scientific and technical activities; administrative and support service activities” (1989-2013) in Paris and London spaces
(thousands)

	Paris and petite couronne / Equivalent core		Greater London / Equi core			
	Change 1989-2013	Share of total change	Change 1989-2013	Share ch		
Professional, scientific and technical activities; administrative and support service activities	220	35%	507	43%	335	32%
<i>Professional, scientific and technical activities</i>	134	21%	322	27%	168	16%
<i>Administrative and support service activities</i>	86	14%	185	16%	167	16%
	Bassin parisien		Greater South Eas			
Professional, scientific and technical activities; administrative and support service activities	485	29%	982	37%		
<i>Professional, scientific and technical activities</i>	206	12%	557	21%		
<i>Administrative and support service activities</i>	279	17%	425	16%		

Source : INSEE and ONS

Regarding other industries Paris generally displays a different pattern from London. While employment “Public Administration” has significantly decreased in the UK and more especially in London since 1989 it remained quite constant in the Paris core and kept increasing in other spaces – the highest growth being at the national level (p.73). As for “construction” for instance it still represents 6% of total wage employment in the Paris core against 3% in London. Generally speaking, London appears in 2013 as a more specialized economy as Paris as shown below with Herfindahl coefficients for instance.¹ In 1989 the Paris core was slightly more

¹ Sometimes known as the Herfindahl-Hirschmann Index (HHI) and named after the economists Orris C. Herfindahl and Albert O. Hirschmann, the Herfindahl Index is a commonly accepted measure of market concentration and by extension of the sectoral specialization of an economy. It is computed by summing the square of the market-shares of each firm / or the share of each industry in the economy.

specialized than Greater London, mostly because of “Production” and “Public Administration”. In 2013 the Paris core is less specialized than it used to be while London became even more than it used to be, mainly due to business services. In Paris and in other spaces including Metropolitan France, “Public Administration” remained stable between 1989 and 2013 while “Health and Social” increased. In other words, the fall of “Production” activities in Paris, added to the persistence of public and social activities, has not been backed by an equivalent development of finance and business services to generate equivalent specialization levels as in the late 1980s. The other areas including national ones show high coefficients because of the prominence of employment in “Production”, “Public administration”, “Health and Social activities”, “Transport, distribution, accommodation and food” and also services (mostly administrative and support services).

Herfindahl coefficients applied to the sectoral composition of wage employment (15 sectors) in Paris and London spaces (1989-2013)

	Wage employment (15 sectors)	
	1989	2013
Paris and petite couronne / Equivalent core	0,0881	0,0803
Greater London / Equivalent core	0,0855	0,0882
Région IDF / Equivalent Paris FUR	0,0918	0,0809
Bassin parisien	0,1049	0,0852
Greater South East	0,0924	0,0878
Metropolitan France	0,1128	0,0929
United Kingdom	0,1073	0,0912

Specialized London and fuzzy Paris

Is the scheme as simple as a debate on the performance of a specialized economy (London) and a diversified one (Paris)? The implicit claim of this analysis refers to the idea that specializations and diversifications would carry different assets and liabilities when it comes to urban growth. The debate on which of the two patterns is better for an economy harks back to the late 1940s (Beaudry & Schiffauerova, 2009; Cai, Normann, Pinheiro, & Sotarauta, 2018; Hoover, 1948; Puga & Duranton, 1999; Richardson, 1969). There is strong evidence that specialization patterns in prominent sectors of a macroeconomic and technological cycle, such as information, technological and financial and business services, entails income growth for

Generally multiplied by 100, the HII is all the smaller when an economy is diversified and reaches 10,000 when the market / the economy is made of a single firm / industry.

regions (Galbraith & Hale, 2004, 2014). In other words high-wage specialization strongly matters when it comes to urban growth (Storper et al., 2015) which is clearly the case for London as we have seen (Gordon, 2016; Gordon et al., 2009).¹

Conversely can Paris really be qualified as “more diversified” economy than London? Vocabulary is key here: saying this would mean that the lack of specialization would have other advantages. More precise studies and research on the Paris region, while acknowledging the lack of comparable specialization in finance and business services regarding London or New-York, have indeed conversely insisted on its diversified economy² as a potential for economic resilience and innovation (Bourdeau-Lepage, 2013; Polese et al., 2014). In other words it would be more resilient in the cases of external negative shocks such as the 2007-2008 financial crisis. However on the one hand despite its specialization in finance and business services London has proven economically resilient during this crisis, which has mostly affected other UK locations already falling behind as shown by Ian Gordon (Gordon, 2016). On the other hand the argument on the resilience of diversified economies during offsetting negative shocks lacks a reflexion in terms of opportunity costs of missing developmental opportunities in growing cycles. On the long-run there is no clear evidence that economic diversity overcomes volatility in economic and employment terms (Kemeny & Storper, 2015).³

¹ However, inferring an automatic link between economic specialization *per se* and metropolitan growth raises both empirical and analytical challenges as rightly pointed out by Thomas Kemeny and Michael Storper (Kemeny & Storper, 2012, 2015). Yet in the case of Paris and London this question does not need to be tackled since neither of them are low-wage specialized economies.

² A more detailed analysis of the economy of the Région Ile-de-France show that, beyond employment in finance and business services and other service industries like information and communication technologies, tourism or creative industries, Paris still shelter other activities in some specific industrial sectors due to the historic concentration of headquarters and R&D in the capital region: automotive, spatial and aeronautical industries, agricultural and food industries, chemistry, pharmaceuticals and electronics / optics (PICE, 2014). 57% of its total industrial employment were gathered in these six industries in 2010.

³ In their article Michael Storper and Thomas Kemeny disprove two other arguments on the virtue of diversification that are not at the heart of our comparison. On the one hand the idea that large metropolitan economies have grown more thanks to the diversification of their economic base as compared to smaller urban areas. The analysis is based on a misunderstanding between cause and effect. On the other hand diversification would allow better reallocation of economic resources between different sectors over time. The question here is to assert whether such reallocation really happens between completely unrelated sectors or between relatively close industries, which raises analytical issues on the definition of “diversification” and therefore empirical ones on the degree of precision of the nomenclatures used.

Thus, given its low economic and employment dynamics that have been highlighted so far, Paris shall not in this view be qualified as a “more diversified” economy as London but simply as an economy with no real specializations. A fuzzy economy in a way. Which is why this part of this analysis aims at showing that there are strong high-wage specializations in London (finance and business services) that are absent in Paris. In this respect the relative resilience of Paris (and France) to the financial crisis is probably not so much due to the diversity of its economy – with various industrial and technological specializations – but to the remaining importance of its public and social mechanisms (Davezies, 2008, 2012, 2015). Both Paris and London as large agglomerations are diversified economies. London simply displays stronger high-wage tradeable specializations, which proved to be the driving force of large metropolitan economies since the late 1980s.

3) Innovation dynamics: strong resources but underperformance for Paris

Looking into innovation dynamics can help us better understand whether Paris is indeed, as often pointed out, some kind of endogenous and multi-specialized technological economy,¹ which appears as the positive story around its high labour productivity and its alleged “diversified” economy.

An analysis of patents: the trompe-l’oeil of Paris as an innovative region

The most intuitive measure for the innovative nature of an economy is patents.² Since 1970 Patent Cooperation Treaty (PCT) the process of patent applications has been step by step simplified and harmonized. In parallel the OECD has developed an early and vivid interest in measuring innovation in its countries and regions since the early 1990s and has therefore been

¹ This analysis has partly driven the conception of the Grand Paris Express transport projects which originally consisted in linking different « clusters » of the Paris region. It is tackled in the next chapter of this thesis.

² The principle of a patent is to encourage inventions and technological progress by providing a temporary exclusivity – usually around 20 years - for the invention in exchange for its disclosure. It is one the main policy incentives for encouraging inventors to invest in research and development.

producing longitudinal national and regional data on PCT patent applications.¹ This came along with further information on regional innovation such as the share of GDP spent in Research and Development (R&D) or the share of total employment in “knowledge intensive services” (see Appendix p.80). In the NACE system “knowledge-intensive services” are defined as the sum of “High-tech knowledge intensive services”,² “Knowledge-intensive market services (excluding financial intermediation and high-tech services)”,³ “Knowledge-intensive financial services”⁴ and “Other knowledge-intensive services”.⁵ As seen below the employment dynamics in these categories between 2008 and 2016 has been in favour of London and even the UK. The Region Ile-de-France has even performed more poorly as compared to the rest of Metropolitan France. In 2008 “knowledge-intensive services” used to weigh for 52% of the employment of the Région Ile-de-France (42% in Metropolitan France) and this level only reached 53% in 2016 (46% in France). As for the London core this share was already 55% in 2008 (50% for the Greater South East and 46% for the UK) and reached 58% in 2016 (53% in the Greater South East and 49% in the UK).

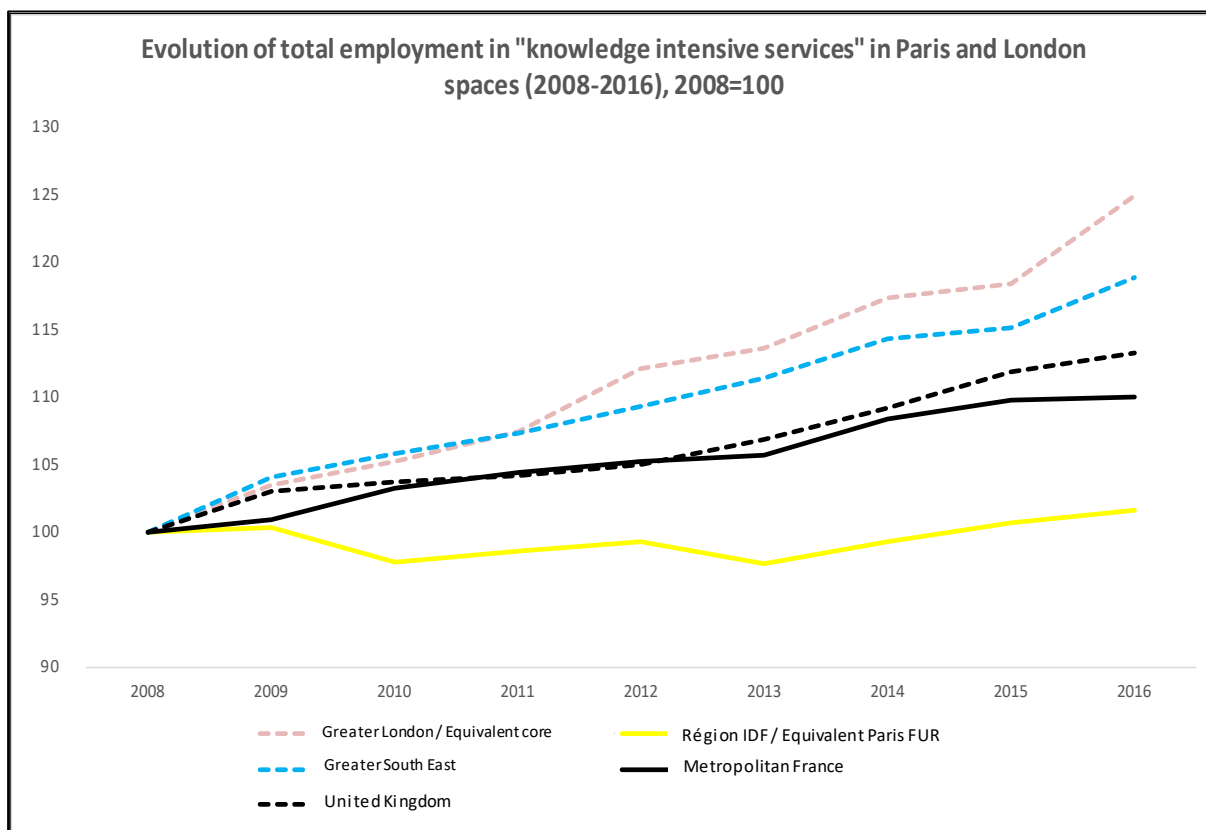
¹ Including the share by industry and the number of PCT co-patents, either done within the same region, within the country or with foreign regions. The detailed methodology on this database can be found in the following [link](#).

² Motion picture, video and television programme production, sound recording and music publishing activities (59); Programming and broadcasting activities (60); Telecommunications (61); Computer programming, consultancy and related activities (62); Information service activities (63); Scientific research and development (72).

³ Water transport (50), Air transport (51); Legal and accounting activities (69); Activities of head offices; management consultancy activities (70); Architectural and engineering activities; technical testing and analysis (71); Advertising and market research (73); Other professional, scientific and technical activities (74); Employment activities (78); Security and investigation activities (80).

⁴ Financial service activities, except insurance and pension funding (64); Insurance, reinsurance and pension funding, except compulsory social security (65); Activities auxiliary to financial services and insurance activities (66).

⁵ Publishing activities (58); Veterinary activities (75); Public administration and defence; compulsory social security (84); Education (85); Human health activities (86); Residential care activities (87); Social work activities without accommodation (88); Creative, arts and entertainment activities (90); Libraries, archives, museums and other cultural activities (91); Gambling and betting activities (92); Sports activities and amusement and recreation activities (93).



Source : OECD

However, when looking at PCT Patent applications from 1990 to 2015 the dynamics are clearly in favour of Paris over London (Appendix p.74). The Greater South East already produced a very high number of applications (1,201 in 1990, more than Metropolitan France) and it kept increasing to reach more than 3,000 in 2015.¹ The presence of world-class universities – prominently Oxford and Cambridge – outside the GLA boundaries explains it. Conversely the Region Ile-de-France went from 377 to 2,905 in 2015 while Greater London went from 296 to 845.

In terms of industry (Appendix p.75) the OECD database provides information on five specific sectors: information and communication technologies, medical, pharmaceuticals, nanotech and biotech. Quite logically the share of PCT patents in information and communication technologies has risen in both metropolitan areas (even slightly at national

¹ The number of PCT applications in the OECD REGPAT database (for « patents per regions ») can differ from other primary sources such as the European Patent Office (EPO) which records all applications. Data from OECD is often smaller than Eurostat data because corrections are applied to cancel double counting due to cases of applications from multiple demanders. The methodology is the same for all OECD countries.

levels) more significantly in London : from 20% in 1990 to 47% in 2015 in Greater London, from 32% to 41% in the Greater South East and only from 26% to 30% in the Région Ile-de-France. For all the other four industries the global share has decreased in the two capital regions. The lack of further details limits the interpretation of PCT patents by industry in the two regions. Yet once again a similar scheme as in the previous part on specialization appears: regarding the growing industries that carry economic development since the early 1990s London exhibits stronger performances, while Paris as a superstar city region benefits from this new economy but in a flatter and seemingly fuzzy way.

An additional analysis on co-patenting backs this impression. Patent documents record both the inventors and thus the location of the invention.¹ If the patent document registers two or more inventors it is qualified as a “co-patent”. Hence the possibility of distinguishing co-patent applications made within the same region, co-patent applications done within the country (with another region of the same country) and co-patent applications that are done with foreign regions (Appendix p.76-77). A striking difference appears. While the share of co-patents is quite similar in both metropolitan regions, the share done with foreign regions became significantly higher in London in late 1990s onwards (see graph below): from 8% in 1990 to 44% in 2015 for Greater London, from 7% and 8% in 1990 to 49% and 47% in 2015 for respectively East and South East. Conversely co-patenting in the Région Ile-de-France remained mostly internal, since the share with foreign regions only went from 11% in 1990 to 14% in 2007.² More detailed information on these co-patents are not available, so caution ought to be exercised when interpreting this. Yet it is unlikely that this striking difference is neutral in terms of innovation performances. There is indeed an increasing literature insisting on the fact that innovation always comes from a local ecosystem, but that at the same time it is produced and catalysed by the connection of this very ecosystem to the global economy. Riccardo Crescenzi, Simona Iammarino, Carolin Ioramashvili, Andrés Rodríguez-Pose and Michael Storper, in their working paper for the 2019 report by the World Intellectual Property Organization (WIPO), have very recently showed this with US data from 1990-2015 (Crescenzi, Iammarino, Ioramashvili, Rodríguez-Pose, & Storper, 2019). In other words innovation must be understood as following the same double trend as ongoing globalization

¹ Patent counts refer to the inventor’s region of residence and fractional counts. For the detailed methodology, see the *OECD Patent Statistics Manual* with the following [link](#).

² Data on co-patents in the OECD database is unavailable for France in 2007 onwards.

and complexification of production systems: the growing economic integration between regions and the growing importance of knowledge in production processes. Innovation today is always local and global at the same time, as summarized by the very title of the 2019 WIPO report: “Local hotspots and Global Innovation Networks”.

In this respect patents mean something but remain limited as an assessment of innovation performances. Having been early defined and standardized internationally they allow quantitative and spatial comparisons overtime (sometimes harking back to the 1970s), with various econometric investigations trying for instance to find evidence on the role of metropolitan size (Bettencourt, Lobo, & Strumsky, 2007), urban density (Carlino, Chatterjee, & Hunt, 2007) or firm size diversity (Agrawal, Cockburn, Galasso, & Oettl, 2013) in the production of innovation. And some trying to improve the comparability of patent databases on specific industries (Haščič, Silva, & Johnstone, 2015). Yet they have limitations worth mentioning. First of all not all inventions are patented, for instance when they do not bare minimal economic possibilities.¹ Then the propensity to patent is unequal amongst industries and also firm size, the process of filling patents creating some barriers to entry for small and medium-sized enterprises.² Most importantly, the value distribution of patents is extremely heterogeneous: most of them have no real industrial applications and only very few of them have very high value.³ In other words a patent does not indicate the market value of an invention, just like a high number of patents does not illustrate the innovation performance of a region. As Riccardo Crescenzi and its co-authors summarize it, “*we need to think of*

¹ “*Moreover, some ideas cannot be patented: utility patents, which account for 90 percent of patents in the United States, cover new machines, processes, or otherwise material inventions; they do not cover the production of new plant species, nor design and immaterial knowledge production like software*” (Storper et al., 2015, p. 245).

² “*For instance in the electronics industry (e.g. semiconductors) a patented invention can be surrounded by patent applications on incremental variations on the invention, with a view to deterring the entry of new competitors and to negotiating advantageous cross-licensing deals with competitors. As a result of this “patent flooding” strategy, some technical fields have a larger number of patents than others. Companies’ propensity to patent also differs: new or small and medium-sized enterprises (SMEs) – notably those that lack large-scale production – have more difficulty covering the costs of a patent (although national policies attempt to deal with this problem by providing SMEs with subsidies or discount rates)*” (OECD Patent Statistics Manual, p. 28, available [here](#)).

³ See for instance : Pakes, A and and M. Shcnakerman (1986), “Estimates of the Value of Patent-Rights in European Countries During the Post-1950 Period”, *Economic Journal*, December, pp.1052-1076 ; Harhoff, D., F.M. Scherer and K. Vopel (2002), “Citations, Family Size, Opposition and the Value of Patent Rights”, *Research Policy*, Elsevier, No.32(8), pp.1343-1363 ; Hall, B.H., A. Jaffe and M. Trajtenberg (2005), “Market Value and Patent Citations”, *Rand Journal of Economics*, No.36, Spring.

innovation not only as the essential motor of the economy, but also that once we introduce its geographies and the causes behind such geographies, it can be seen to be societally-embedded change process with complex collateral effects. The geography of innovation is ultimately not just about spatial distribution of innovation, but engages debates about market structure, efficiency, rent-seeking, competition, and income distribution within and between countries” (Crescenzi et al., 2019, p. 29). Hence the need to complete these intuitions on the difference of innovation performances of both metropolitan regions with complementary measures.

Complementary measures for innovation confirm this intuition

Since 2011 the European Commission produces an annual comparative assessment of performance of innovation systems across 238 regions of 23 EU Member states, as well as Norway, Serbia and Switzerland¹ : the Regional Innovation Scoreboard (RIS). The RIS 2019 reproduces the methodology of the European Innovation Scoreboard (EIS) used a national level, with 17 of its 27 indicators – for regional availability reasons. It covers broader issues than just patents,² by relying on four aspects of the whole innovation process: framework conditions,³ investments,⁴ innovation activities⁵ and impacts.⁶ The unweighted average of the normalised scores of the 17 indicators forms a Regional Innovation Index (RII), which is corrected using the Summary Innovation Index (SII) from the EIS to compensate for missing data at regional

¹ Cyprus, Estonia, Latvia, Luxembourg and Malta are also included at a national level, since NUTS 1 and NUTS 2 levels are identical to the country territory.

² The detailed methodology behind the gathering of each indicator is detailed in the *2019 Regional Innovation Scoreboard 2019 Methodology Report* is available [here](#).

³ The detailed indicators are divided in three sub-domains: *human resources* (new doctorate graduates, population aged 25-54 with tertiary education and lifelong learning), *attractive research systems* (international scientific co-publications, top-10% most cited publications and foreign doctorate students) and *innovation-friendly environment* (broadband penetration and opportunity-driven entrepreneurship).

⁴ The detailed indicators are divided in two sub-domains: *finance and support* (R&D expenditure in the public sector and venture capital expenditure) and *firm-investment* (R&D expenditure in the business sector, Non-R&D innovation expenditures and enterprises providing training to develop or upgrade ICT skills of their personnel).

⁵ The detailed indicators are divided in three sub-domains: *innovators* (SMEs with product or process innovations, SMEs with marketing or organisational innovations and SMEs innovating in-house), *linkages* (innovative SMEs collaborating with others, public-private co-publications and private co-funding of public R&D expenditures) and *intellectual assets* (PCT patent applications, trademark applications and design applications).

⁶ The detailed indicators are divided in two sub-domains: *employment impacts* (employment in knowledge-intensive activities and employment in fast-growing enterprises of innovative sectors) and *sales impacts* (medium and high tech product exports, knowledge-intensive services exports and sales of new-to-market and new-to-firm innovations).

level. The detailed results for each indicator is available in the Appendix (p.83-85). Each region – and for the EIS each country – is then classified in four different groups with three sub-categories (“+”, “ “ and “-“): “innovation leaders” – regions with a relative performance more than 20% above the EU average -, “strong innovators” – between 90% and 120% of the EU average -, “moderate innovators” – between 50% and 90% of the EU average – and “modest innovators” – below 50% of the EU average.

In the 2019 EIS both France and the United Kingdom belong to the second category of “strong innovators” (see the national results in the Appendix p.82). But the regional analysis reveal a divergence between both capital regions: London and the whole Greater South East reach the group of “innovation leaders” (“-“ for Greater London and the East of England and “ “ for the South East of England), while the Ile-de-France only appears in the upper-part of the second group as “strong innovator +”. The map of the regional performance of European regions in the 2019 edition available in the Appendix (p.81) shows in the French case the lack of top innovative regions at a European level, despite the presence of three “strong innovator” regions: the capital region, Auvergne-Rhône-Alpes and Occitanie. In their 2007 paper on “Measuring innovation efficiency” that inspired the categorization of the European Innovation Scoreboard, Hugo Hollanders and Funda Celikel Esser used to describe the second category in which we find France and the Région Ile-de-France as typical of “innovation followers” (Hollanders & Esser, 2007).

The comparison with the previous editions until 2011 shows that this position has not changed for both France and the Paris region (see Appendix p.83-84). We are dealing with above average performances but a flat trend when compared to the EU average (an index of 122.0 in 2019 against 125.3 in 2011) as opposed to London (127.4 in 2019 against 116.8 in 2011) and the two other regions of the Greater South East: East of England (129.0 in 2019 against 125.3 in 2011) and especially South East (136.0 in 2019 against 122.0 in 2011).

Following the publication in 2008 of his methodology for evaluating innovation systems in the French regions (Prager 2008) the French economist Jean-Claude Prager has then provided a similar and complementary diagnosis on the French and Parisian innovation ecosystem (Prager 2014). While observing the presence of high level scientific and human resources (*inputs*) for innovation, he insists on an underperformance of the whole system (low *outputs* given the level of *inputs*), placing the Paris region above the efficiency frontier as he had defined it in his 2008 report. Just like the 2019 RIS suggest, France and the Ile-de-France shelter a high

potential but an incapacity of reaching the top innovative places because of underperforming transformation of *inputs* to *outputs*. As pinpointed by Jean-Claude Prager these elements reflect an insufficient percolation between the production of knowledge and economic value-creation, questioning both the performance of the French and Parisian higher-education and research system (Bauwens, Mion, & Thisse, 2012), but also the remaining low rate of opportunity entrepreneurship in Paris as compared to other large metropolitan regions of developed countries (Prager 2014). Overall the Paris innovation ecosystem mirrors the one of France, which today resembles a strong follower rather than an innovative leader: in other words a performant second-mover.

4) Wages and inequalities

The dynamics of income per capita favour London...

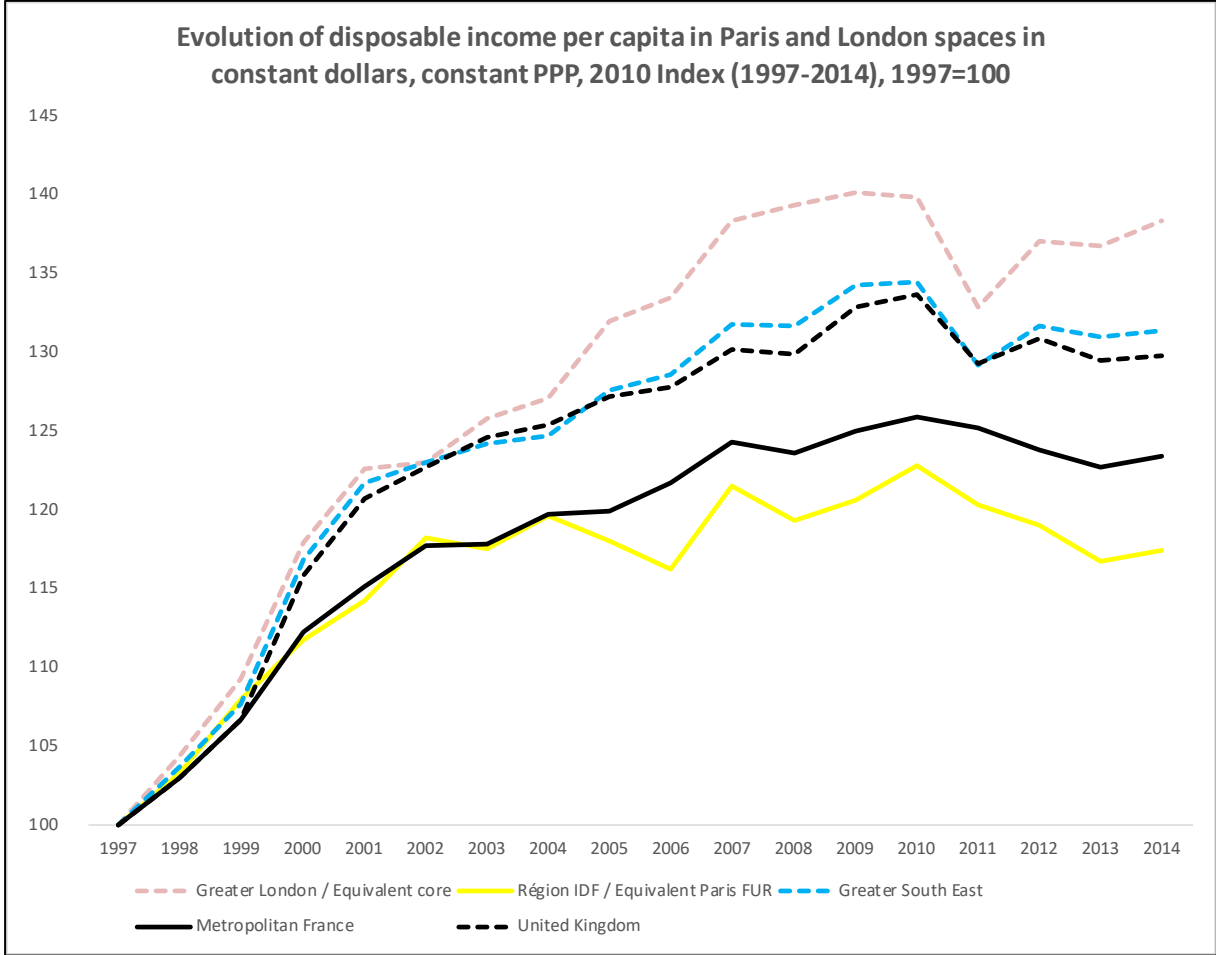
Along with GDP per capita, the increase of income per capita is often used as a synthetic indicator for the capacity of regions and countries to generate development on the middle- and long-run. Along with the compilation of GDP and GVA per countries and regions, Eurostat and the OECD have standardized the expression of income amongst its country members using the 2008 System of National Accounts (SNA).¹ When it comes to wages one distinguishes between “primary income” – that is received purely as the result of market-forces – and “disposable income” – which measures “*the income of households (wages and salaries, self-employed income, income from unincorporated enterprises or social benefits) after taking into account net interest and dividends received and the payment of taxes and social contributions*”.² Eventually, being expressed in monetary aggregates, as explained in the previous part on GDP and GVA analysis, there are four possible ways to compute both primary and disposable income: in national currency at current prices, in national currency at constant prices (when corrected with national deflators), in current dollars at current prices after yearly correction by

¹ Yet the initial methodology for computing income at local area levels still vary from one country to another. In France INSEE uses tax records while in the UK the ONS rely on small area estimations through various sources (Boulant et al., 2016).

² The detailed methodology used by the OECD is explained in the following [link](#) as well as in the 2016 OECD Working paper in income levels and inequalities (Boulant et al., 2016);

PPP but not by price indexes for time comparisons – which is *per se* not very relevant – and eventually in constant dollars at constant prices. All the data and graphs for Paris and London from 1997 to 2014 are available in the Appendix (p.86-94) and the deflators and purchasing power parities used for income can be found p.48.

The graph below on the evolution of disposable income per capita – before tax and redistribution mechanisms – expressed in constant USD with constant PPP (2010 index) clearly shows a divergence in favour of London. Greater London displays stronger dynamics than the Greater South East and the UK, while conversely the dynamics is flatter in the Région Ile-de-France than in Metropolitan France. With the same methodology the analysis of primary income (Appendix p.92) still highlight a favourable trend for London but not as clear as the one visible below.¹



¹ Except the analysis in current dollars and current PPP which is not *per se* very relevant, the analysis of both primary and disposable income in current and constant national currencies (p.86-89) lead to the same results.

This shows that part of the gap between both cities and also between the Paris region and its country comes from important mechanisms of taxes and redistributions in France, which affect the geographical dynamics of disposable income per capita as opposed to primary income. As shown in the Appendix (p.94) the ratio disposable income / primary income is especially low in the Paris region (around 75% between 1997 and 2014): lower than France (85-86%) of course but also lower than Greater London (82-85%) and the Greater South East (86%). In other words when compared to their London counterparts, households of the Paris regions share a larger part of their income with the rest of the country. This phenomenon of spatial circulation and redistribution of wealth in France has been widely analysed by Laurent Davezies (Davezies, 2008, 2012, 2015), and is tackled in the next part of this chapter. These mechanisms remain stronger in France and have a visible effect on the evolution of household disposable income in the Paris region.

...but inequalities are more tempered in Paris

By correcting the effect of market-forces on the distribution of wealth, these very mechanisms have an effect on inequalities in both regions. Multiple reports and dense academic literature has shown that social as well as spatial inequalities, after having decreased for decades during most of the 20th century (Combes, Lafourcade, Thisse, & Toutain, 2008; Galbraith & Hale, 2014), have gone up significantly with the Third Industrial Revolution. Both at country level (Alvaredo, Chancel, Piketty, Saez, & Zucman, 2018; Dorling, 2014; Galbraith & Hale, 2004; Piketty, 2013) and interregional level (Baum-Snow, Freedman, & Pavan, 2018; Boulant, Brezzi, & Veneri, 2016; Iammarino et al., 2019). At intra-regional level, even though it is not our perspective in this chapter, the same trend is witnessed for both Paris and London as seen in the Appendix (p.95-96). In Paris a clear east/west pattern appears (Beaucire & Drevelle, 2013; Bourdeau-Lepage & Tovar, 2013; Institut Paris Région, 2016b) which is far from being new (Beckouche, 1993). The wealthier pole westwards is made of the Western part of the City of Paris – even though today the whole city-centre is gentrifying (Clerval, 2013) -, the Southern part of the Hauts-de-Seine and most of the Yvelines, despite some very poor areas in this very *département* – around Trappes in the centre and the whole downstream Seine in the North which has been widely disindustrialized. The poorer parts eastwards are in the Seine-Saint-Denis and the Val-de-Marne – the former “*banlieue rouge*” which used to house jobs in manufacturing – but also some specific areas beyond, notably around Corbeil-Essonnes. As for London intra-metropolitan inequalities have gone up as well (GLA Economics, 2016), mostly through the

increased income of the upper-decile (Appendix p.96). The whole geography of income somewhat depicts a similar east/west pattern – wealthier parts historically found in the west of Inner London along the River Thames and poorer parts in the east which have widely suffered from the deliquescence of the London docklands in the 1960s onwards – with also something like a centre/periphery scheme as well. Beyond these general patterns inequalities in London look a little bit more diffuse spatially with some small poor areas that can be surrounded by wealthier places, which probably mirrors a higher urban plasticity of the British capital.

2010	INEQUALITY				POVERTY			
	Gini (at disposable income, after tax and transfers)	Gini before tax and transfers	S80/S20 disposable income quintile ratio	S80/S20 income before tax and transfers quintile ratio	Poverty rate after tax and transfers, Poverty line 60%	Poverty rate before tax and transfers, Poverty line 60%	Poverty rate after tax and transfers, Poverty line 50%	Poverty rate before tax and transfers, Poverty line 50%
Metropolitan France	0,303	0,505	4,5	4,7	0,144	0,396	0,079	0,347
Région IDF / Equivalent Paris FUR	0,344	0,504	5,4	7,4	0,124	0,315	0,069	0,271
Champagne-Ardennes	0,283	0,491	4,2	4,9	0,145	0,415	0,078	0,366
Picardie	0,27	0,478	4,1	4,7	0,159	0,406	0,075	0,357
Haute-Normandie	0,254	0,465	4	4,7	0,124	0,394	0,059	0,349
Centre (FR)	0,259	0,47	3,9	4,5	0,106	0,393	0,058	0,35
Basse-Normandie	0,269	0,504	3,9	4,2	0,144	0,435	0,076	0,399
Bourgogne	0,312	0,535	3,9	4,4	0,168	0,454	0,089	0,399
Pays de la Loire	0,273	0,482	3,8	4,1	0,136	0,406	0,075	0,349
United Kingdom	0,338	0,517	5,5	87,2	0,17	0,351	0,097	0,315
East of England	0,349	0,501	5,7	43,2	0,134	0,294	0,075	0,258
Greater London / Equivalent core	0,405	0,555	7,9	140,1	0,163	0,319	0,1	0,289
South East of England	0,349	0,484	5,9	34,2	0,123	0,269	0,072	0,238

Source : OECD

When it comes to directly comparing levels of income inequalities between countries and regions, synthetic indicators are required. In this respect the OECD provides a snapshot for 2010 at each NUTS 3 levels,¹ for both inequality and poverty issues. A usual measure of inequalities is the Gini coefficient, which “*is based on the comparison of cumulative proportions of the population against cumulative proportions of income they receive. It ranges from 0 to 1, with 1 indicating maximum concentration of income (all income accrues to one individual only).*”² Gini coefficients can be computed for both primary (“Gini before tax and transfers”) and disposable income (“Gini after tax and transfers”) in order to assess the effect of public and social redistribution mechanisms on income inequalities. The table above show that before tax and transfers, Metropolitan France and the Paris region exhibit rather comparable Gini coefficients than the Greater South East, around 0.5. The UK as a whole (0.517) and

¹ Computing these indicators at infra-national levels require using individual data and thus primary sources, which calls for heavy statistical work. Hence the fact that such data are only available for a single year, namely 2010.

² Further details can be found in the OECD 2016 working paper on income and inequalities within metropolitan regions (Boulant et al., 2016).

especially Greater London (0.555) show higher primary income inequality levels. Overall in such developed economies, before redistribution, Gini coefficients are high and comparable to Californian metropolitan areas for instance: 0.508 in 2005-2007 for California, 0.506 for Los Angeles and 0.503 for San Francisco (Storper et al., 2015, p. 12). The S80/S20 ratio for primary income, which compares the average income of the 20% richest to the 20% poorest, completes the analysis. The table shows that for rather similar Gini coefficient before tax and transfers, UK (87.2) and even more significantly London (140.1) exhibit an especially higher S80/S20 ratio, which illustrates a hyper-concentration of super-rich, incomparable to France and Paris.

The mirror analysis for disposable income clearly illustrates stronger correcting mechanisms in the French case. For a coefficient before tax higher than 0.5 in both metropolitan areas, Gini for disposable income falls to 0.344 in the Paris region and even lower than 0.3 for most of the regions of the Bassin parisien, for an overall level of 0.303 in France. In the UK, correcting mechanisms do exist but in lower proportions. Gini after tax and transfers equals 0.405 in Greater London and proxies 0.34-0.35 in the UK and the Greater South East. The S80/S20 ratio illustrate the same correcting effect. S80/S20 in the UK equals the level observed in the Paris region (5.4-5.5) while it remains significantly higher in London (7.9) and the Greater South East (5.7 in East and 5.9 in South East).

Eventually the OECD provides similar measures for poverty through the same income database, by assessing the number of people below the “poverty line”, usually taken as either half or 60% of the median household income of the population. The same table above thus gives the poverty rate before and after tax and transfers with a poverty line of 50% and 60%, namely the share of the population whose income falls behind the poverty line within the total population. As shown in the table above poverty without redistribution is generally slightly higher in London than in Paris, even though national levels exhibit an opposite situation – a higher rate in France than in the UK – that is corrected by welfare policies. Even after redistribution Greater London displays a noticeable share of poverty, with a rate of 16.3% with a poverty line at 60% (against 12.4% in the Paris region) and still 10% with a 50% line (against 6.9% for the Paris region).

5) The tricky measure and interpretation of « well-being »

This presentation of various demographic and sociodemographic variables applied to these two metropolitan regions concludes by mentioning the emerging concern for measuring “well-being” in cities. At national levels this harks back to the 1970s and to the first criticisms earlier mentioned made to GDP as a relevant measure of wealth or happiness of nations. These attacks explain the development in the 1990s onwards of alternative measures (Dyanan & Sheiner, 2018), the most famous being the Human Development Index (HDI) and more recently the World Happiness Report published every year by the United Nations since 2011 (Helliwell, Layard, & Sachs, 2019). The rise of environmental concerns also reinforces the will for developing additional indicators taking into account additional corresponding considerations that are absent from GDP and GVA measures.

At both national and regional level the OECD – through the *OECD Better Life Initiative* programme - computes snapshots of various indicators, all part of what is qualified as “well-being” measures. Introduced in 2011 the OECD approach to well-being is based on several principles (OECD, 2017): it focuses on people (individuals and households) and tries to assess their life circumstances and experience of well-being (1) ; it focuses on outcomes rather than inputs of this well-being (2); it includes measures that are both objective (observed by a third party) and subjective (feelings and/or opinions of the person) (3); it tries to take into account the evolution of the well-being over time despite the heterogeneity of the different dimensions considered (4). At regional level the OECD well-being database uses 14 indicators related to 11 different topics each divided into three different aspects of well-being (OECD, 2018). *Material conditions* refer to income (household disposable income per capita in real USD PPP), jobs (employment rate and unemployment rate) and housing (number of rooms per person). *Quality of life* refers to health (life expectancy at birth and age adjusted mortality rate), education (share of labour force with at least secondary education), environment (estimated average exposure to air pollution in PM2.5 in $\mu\text{g}/\text{m}^3$ based on satellite imagery data), safety (homicide rate), civic engagement (voter turnout in general election and perception of corruption) and accessibility of services (share of household with internet broadband access). Eventually, *subjective well-being* relates to community (percentage of people who have friends or relatives to rely on in case of need) and life satisfaction (average self-evaluation of life satisfaction on a scale from 0 to 10). The most recent table harks back to 2014 and is available

in the Appendix (p.97) and the detailed construction of each of these indicators can be found in the 2017 OECD publication on well-being (OECD, 2017).

A general comparative analysis can be made using these dimensions. As mentioned before data on “material conditions” are in favour of London (higher disposable income per capita, higher employment rate and lower unemployment rate), with a complementary measure on housing in favour of the British capital (a higher number of rooms per person but which probably reflect the predominance of individual homes in London and the UK). As for the “quality of life”, health issues appear in favour of the French capital: a higher life expectancy at birth (83.8 years old in the Paris region against 82.3 in Greater London) and a lower standardized mortality rate (6.1 for the region Ile-de-France against 7.1 for Greater London). The share of labour-force with at least secondary education is higher in London than in Paris (86.5% in Greater London and 80.7% in the Paris FUR). As for air pollution levels (PM2.5 measured in micrograms per cubic metre) they appear higher in Paris, which is probably partly explained by the compact urban structure of the French capital highlighted in Chapter 1. Homicide rates are rather the same. As for the subjective well-being dimension, the results are overall the same between the two regions, with a slightly higher perceived social network support in London.

Two main problems occur when it comes to comparing such “well-being” measures. The first one is empirical. To what extent do these dimensions indeed encompass the “well-being” of people? Along with multiple city rankings on the quality of life that have proliferated since around a decade,¹ the criteria used in many respects assimilate the quality of life or the “well-being” to a certain idea of “comfort”, based on cleanliness, low criminality rate, low commuting times and/or congestion, or low pollution rates, which inevitably penalizes large metropolitan areas. If the vision of “well-being” is linked to comfort and a certain tranquillity or isolation, indeed Paris and London will not generate much of it. But this is ignoring that a large part of well-being is indeed the product of the contact of individuals with economic complexity, diversity, synergies and opportunities that are incomparably higher in such metropolitan areas. Eventually, let us even suppose that these dimensions indeed cover the different aspects of “well-being” of people, how could each of them be translated into a single comparable indicator? This would require pondering these extremely heterogeneous measures and

¹ For instance the Global Power City index by the Mori Memorial Foundation, the Monocle’s Global Liveable City Index or the Mercer Quality of Living Survey.

dimensions of life and thus answering both unsolvable and absurd questions such as the share that health occupies in well-being as compared to social relations, wealth or housing.¹ Simply because there is no transitivity between all these dimensions and estimations.

The second problem is conceptual and relates to wider debates in regional studies. How far can “well-being” be considered as driving the location of households and as a consequence the growth of cities? Coming back to the concern of this chapter which is the measure of metropolitan dynamics, “well-being” – beyond all the limitations earlier pinpointed - can only be relevant if we suppose that people go to the places where they can maximize it. Which would mean that the growth of a city is primarily based on its capacity to produce a favourable environment to people in order to attract them and therefore attract the firms in search of this labour force. This scheme often summarized as the “jobs follow people” scheme focuses on the primary role of urban amenities² in metropolitan growth. Edward Glaeser (2000) was amongst the first to insist on these issues through various measures for American cities between 1960 and 1990. Distinguishing between four types of amenities – the variety of services and consumer goods, aesthetics and physical setting, good public services and speed – he observed that high amenity cities had grown faster than low amenity cities. Along with other researchers, additional econometric studies have since then tried to assess the role played by different amenities as drivers for metropolitan growth (Atzema, Frenken, & Wenting, 2011; Carlino & Saiz, 2019; Flew, 2010; Gottlieb & Glaeser, 2008; Markusen & Schrock, 2006). Another famous example of this same general framework comes from Richard Florida’s concept of the “creative class” (Florida, 2002, 2004, 2007), which has spread widely beyond academic debates providing his author “*with a new niche as public intellectual, consultant and urban policy guru*” (Nathan, 2007, p. 434). According to his view, tolerant, inclusive, diverse and “cool” cities - for instance friendly to counter-cultures, ethnic minorities and gay people – would attract highly-skilled individuals in search for this specific way of life – what he refers to as the “creative class” – and thus attract firms seeking these talents.

This whole framework insisting on the role of urban amenities as the primary driver of urban growth has since then been widely questioned (Nathan, 2007, 2015; Storper, 2013), both

¹ Such ponderations epitomize the absurdity of almost all city rankings, which completely make a methodology up, by for instance saying that the quality of life is divided into 10% of density of non-tradeable services, 15% of access to nature, 20% of the level of pollution and so on.

² An amenity is defined as a « *useful or desirable feature of a building or a space* » or “*the pleasantness of a space*” (Oxford English Dictionary, 2011 Edition)

in empirical and theoretical terms. In 2009 Michael Storper and Allen Scott specifically responded to each of the main contributions to the “jobs follow people” scheme¹ and asserted on the contrary that “*a more effective line of explanation must relate the urban growth directly to the geography of production and must explicitly deal with the complex recursive interactions between the location of firms and the movements of labour*” (Storper & Scott, 2009, p. 147). The main synthetic implication of this view would be that in fact “people follow jobs”. Therefore, the focus on regional comparative “well-being” not only raises empirical issues, but implies a theoretical framework based on specific causal interpretations of metropolitan growth. Which will be the focus of the final part of this chapter when connecting all these empirical results.

C- Connecting the dots

While current studies and literature often analyse the dynamics and performance of these two metropolises by either only considering one single scale or resorting to a limited number of indicators, this wide compilation of socioeconomic and demographic data on our different scales aimed at providing a better view on how both Paris (and France) and London (and the UK) have evolved during the last thirty years. After the first two parts that display the empirical result of the comparison the last part connects the dots between all these results. First of all it presents all the evidence at metropolitan levels and tries to make sense of it in relation to a general scheme based on New Economic Geography and Spatial Equilibrium Theory (1). The second part focuses on the French case by summarizing the past and current views on the French economic and urban scheme that generally prevail, and by questioning these views (2). The conclusion broadens the scale of analysis by inscribing these two capital regions, which are both heart and mirror of their national system, in a wider territory with which they interact through population sorting. It then allows us to propose a national version of the scheme, giving us a wider view of the strengths and weaknesses of both systems. The end of this Chapter

¹ They isolated three of these contributions: Richard Florida’s « creative class » concept and implications, Edward Glaeser and some of his co-authors’ work on social and natural/climatic amenities, and Terry Clark’s vision of the city as an “entertainment machine”.

eventually raises the theoretical implications of these results for the rest of the thesis by formulating its research hypothesis.

1) In the end, a divergence

The first part asserts that the issues and results previously dealt with each connect to a system of internal coherence for the two metropolitan economies, with systematic interrelation trade-offs and coherent strengths and weaknesses. Therefore, before presenting an overview of the results, a theoretical framework for reading the results as part of such systems of interrelations needs to be set out. Let us start with a basic model of spatial economics and suppose that people arbitrage their interurban location – they choose to locate in a given city as opposed to others. They individually weight between amenities, the job they can get, given their level of education and skills, and eventually the cost of housing.¹ As previously stated some here insist on the role played by amenities like Edward Glaeser and Richard Florida, under the assumption that the wage premium you get by going to a large metropolitan area if you are a skilled and education person is captured by higher housing costs. Conversely others insist on the primary role of employment in interurban location choices like Allen Scott and Michael Storper (Storper, 2013; Storper et al., 2015; Storper & Scott, 2009).

Following these reflections recent research by economic geographers and urban economists have question the transitivity of these three dimensions of interurban location choices. First of all using American data, and following the work of Baum-Snow and al. (2018), David Autor has measured the long-run - 1970 to 2015 - geography of wages by education levels and gender (Autor, 2019). By observing that large metropolitan areas exhibit very high housing costs, he makes the assumption that the productivity of high-skilled workers that tend to therein agglomerate on the 1980s onwards would have to be very high in order to compensate the housing cost differential. Otherwise skilled people would not go there. His econometric results show that it is indeed the case, not only because wage premium in the beginning more

¹ Once and if they choose to go to a given city then another arbitrage is made in terms of intra-urban location, which has been developed during the last decades through more or less elaborated theoretical models (Fujita, 1989; Fujita & Thisse, 2000; Gaigne, Koster, Moizeau, & Thisse, 2017), following the first and basic famous model by William Alonso (Alonso, 1964).

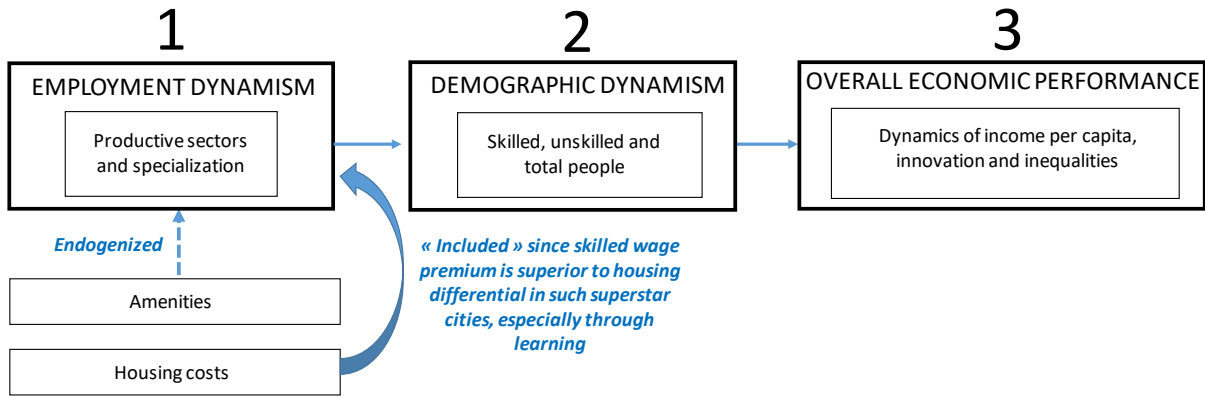
than compensates higher housing costs, but also because living in such large metropolitan areas will generate incomparable productivity gains through *learning* (see the previous part of this chapter on productivity gains). In other words the wage premium for high-skilled workers in such large metropolitan areas is greater than the housing cost differential, and more and more overcomes it when considering a larger life cycle of a skilled individual.

When it comes to amenities recent work by Rebecca Diamond (2016) has demonstrated its increasing endogeneity - hence its non-transitivity – regarding the dynamics and geography of employment. She ran an econometric model on American cities from 1980 and 2000 for testing the different drivers for divergent location choices. Through an array of variables she tried to see how labour demand, housing supply, worker labour supply and amenity supply jointly interact to determine the spatial equilibrium between cities. With regards to amenities she distinguished the supply of amenities in a city due to exogenous factors outside her model, in other words that are unrelated to supply and demand of labour and housing – partly publicly produced amenities as results of spatial redistribution -, and those that are endogenously produced as a response to the households that choose to settle in the city – namely the skill-mix of the given city.¹ Her results clearly highlight the increasing elasticity of endogenous amenities to the skill-mix of the different American cities. In other words, in the 1980s onwards amenities have appeared increasingly privately developed in the cities concentrating a growing number of high-skilled and high-wage people, as a response to the geographical resorting of skills. In fact it is the presence of high-skilled people that generates high-quality amenities only accessible to those living in the given city – and not the other way round. Eventually it is the geography of employment and in mirror the geography of skills that explains the increasing interregional inequalities as confirmed the following year by Elisa Giannone (2017).

¹ She collected data on 15 different that refer to 6 different categories: school quality, the retail environment, crime, environmental quality, transportation infrastructure, and job quality beyond wages (patents per capita and employment rate), all of them being synthetized in an endogenous amenity index.

New Economic Geography and a Spatial Equilibrium Theory scheme at metropolitan

level



	INDICATORS	PARIS	LONDON
1	Employment growth	Low and weaker than France	Strong and higher than the UK
	Unemployment	High	Low
	Share of part-time jobs	Lower	Higher
	Labour-market regulations	High (national)	Low (national)
	Labour-Force participation	Weaker	Stronger
	GDP dynamics	Weaker than London but stronger than France	Stronger than both Paris and the UK
	Labour Productivity	Higher than France and than London and the UK	Weak
2	Specialization	Low	High (financial and business services)
	Population growth	Weak	Strong
	<i>Drivers for population growth</i>	<i>Natural</i>	<i>Immigration</i>
	<i>Out internal migration hinterland</i>	<i>National</i>	<i>Megaregional</i>
3	Innovation	Underperformance	Rather good
	Dynamics of Income per capita	Low	High
	Income Inequalities (Gini before and after tax and S80/S20)	Lower (after tax)	Strong (lower correction effect by tax)
	Disposable Income / Primary Income	Low	High

These findings allow us to propose a general scheme (see above) for metropolitan dynamics based on both New Economic Geography and Spatial Equilibrium Theory, in which employment dynamics are the driving force of metropolitan growth. These dynamics relate as previously stated to specialization in high-skilled and high-wage sectors, mostly business and financial services. On the one hand housing costs are somehow “included” in this dimension since the wage premium for locating in Paris and London is superior to housing differential and mostly through productivity gains by *learning*. On the other hand amenities are endogenized in

employment as brilliantly demonstrated by Rebecca Diamond.¹ Positive employment dynamics (1), notably in the tradeable sectors and in high-skilled specializations, generate economic opportunities and demographic growth through the arrival of high-skilled and/or low-skilled people given the cases (2). All of this reflect in the overall economic performance of the city (3), mirrored in the dynamics of income per capita, the production of innovation and the evolution of inequalities. These three dimensions represented in the scheme below each correspond to different indicators measured for Paris and London that are summarized in the previous table.

Almost all indicators favour London to Paris. The British capital has grown significantly quicker than both Paris and the UK in demographic, employment and GDP terms, especially in the mid-1990s onwards. Population growth was in majority driven by labour immigration thanks to the quick development of high skilled financial and business services from which emanated wider economic opportunities² for both low and high-skilled people. All of this has been favoured by lower labour-market regulations and employment protections, higher labour-force participation, lower unemployment but a higher share of part-time jobs and in the end – if it is indeed linked – low apparent labour productivity. Resources for innovation are transformed rather well into innovative outputs and economic value-creation. This economic plasticity is mirrored in a more “spread-out” spatial scheme – as shown in Chapter 1 – which reaches the whole Greater South East to form a polycentric metropolitan economy. The growth of the whole area was superior to the rest of UK.

Conversely Paris exhibits a generally flatter scheme that displays similar and sometimes weaker growth patterns than Metropolitan France. Employment and GDP dynamics are low. The demography is mostly driven by natural change and immigration is mostly based on family purposes – *ie* not necessarily economic opportunities. If both capitals have witnessed a decline in “production” activities, the emergence of financial and business services did not occur in

¹ One could question the fact that such results from the American case are transposable to our cases and especially to France. Undoubtedly America will always display a somewhat “pure” case for such econometric models of location choices between cities, which in France is partly modified by further regulations that limit these effects. Yet the results found still prevail and help us understand the ambiguities of the dynamics of the French urban scheme and its current interpretations, but once the effect of stronger regulations is analysed.

² It is safe to assume that « English » as a universal language played a facilitating role for attracting populations from anywhere. But such purely determinist explanations are never very relevant without other causes.

equivalent terms in Paris, which exhibits lower specializations in these high-skilled leading sectors. Its resources for innovations appear insufficiently transformed into innovative outputs and economic value-creation. Higher labour-market regulations and employment protections maintain an insider/outsider scheme by favouring employment stability – and possibly partly explaining an apparent higher labour productivity – but at the expense of those outside of it: hence a structural long-term unemployment and a lower labour-force participation. This more rigid model is mirrored in a dense urban scheme – as shown in Chapter 1 – in which the core still concentrates most of the economic and demographic wealth on a very small area. As for the megaregional scale – the Bassin parisien – it is bypassed by functional economic and demographic links between the capital city and the rest of the French territory.

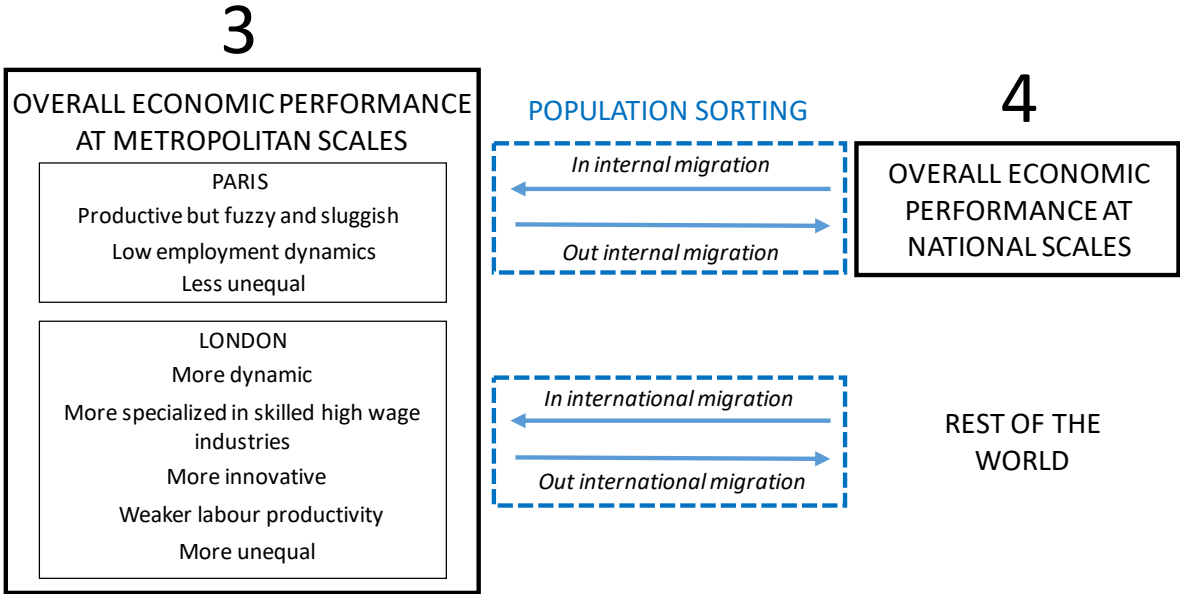
The territorial effect of redistribution mechanisms appear in this different relationship of both cities to their respective national spaces. Income inequalities (Gini coefficients) before tax are rather the same in both cases¹ but correcting effects are clearly higher in Paris and in France in general. In spatial terms this is consistent with the persistence of an economic redistribution between Paris and the rest of France, since the disposable income of households in the Region Ile-de-France is on average only 75% of their primary income (against 82% in Greater London and 86% in the Greater South East in 2014). In mirror of this, people leaving the Paris region in their thirties move to regional metropolises and to Atlantic and Mediterranean coasts and spread more evenly over the French territory, while those leaving Greater London stay in the Greater South East, conversely feeding a “North-South” divide. In other words both Paris and London do not relate similarly to their national space, which shows how national regulations and redistribution mechanisms impact the materialization of similar macroeconomic and technological changes.

Indeed both metropolitan economies are part of a wider national system with which they interact through population sorting – part of which with the rest of the world but some of it with their national hinterland. In other words previously seen both capital regions are the mirror of their national system but also its core. Understanding their overall economic performance thus implies understanding the nature and the degree of their interrelations with the rest of their

¹ Even though when considering the interdecile ratio (S80/S20) inequalities appear higher in London because of higher proportion of very high wages and also possibly of very low ones.

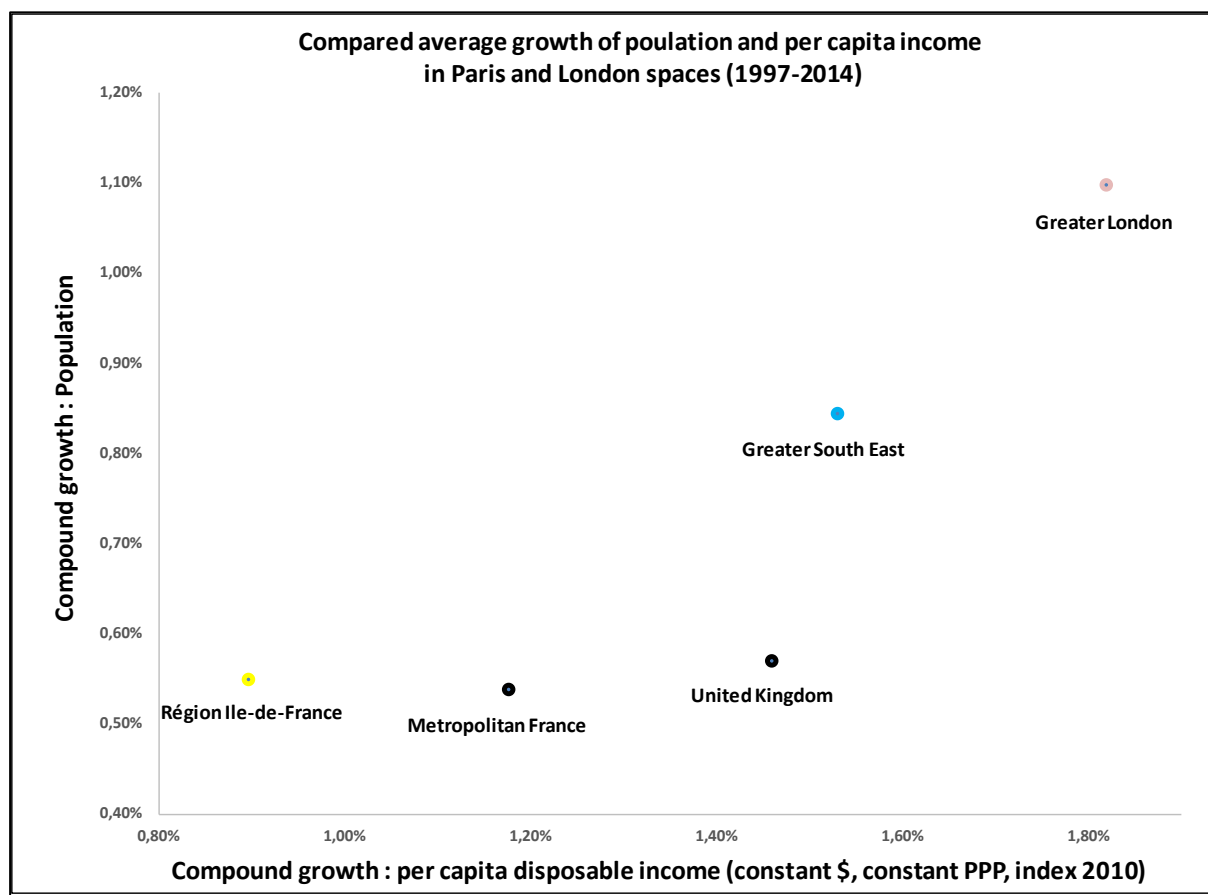
respective countries. Hence the following scheme based of New Economic Geography and Spatial Equilibrium Theory at a national level.

New Economic Geography and Spatial Equilibrium Theory scheme at national level



The question is: are these differences simply various materializations of similar technological and economic forces or do they more deeply highlight an overall difference of performances? A synthetic view is required. Michael Storper and its co-authors analysed the evolution of the main US metropolitan areas by comparing their compound annual growth of population and income. They justify the need for looking at both sides at the same time as follows: *“If a region or country increases its income while maintaining a stable population – something like Denmark – we think very differently about it as compared with a place where incomes rise in a context of considerable population growth, as in Chinese cities today, many American Sun Belt cities in recent decades, and California in much of the twentieth century. Characteristics of the new population matter as well. Consider an economy that grows while welcoming only skilled individuals versus another that accommodates a wider variety of immigrants and pulls them up the wealth ladder – a difference we might describe as outcome versus opportunity. Our economy might increase its per capita income through stricter gatekeeping, whether through formal immigration controls or high housing prices. Meanwhile, a more “welcoming” urban region might receive an influx of migrants whose lower education*

and skills reduce average income” (Storper et al., 2015, p. 10). The same comparison is applied for Paris and London (see table below) for population and disposable income per capita (constant\$, constant PPP, index 2010), between 1997 and 2014 for having the same time frame on both dimensions.



Source : INSEE and ONS for population estimates / OECD for income per capita estimates (income and PPP transformations)

The Région Ile-de-France overall performs lower on both dimensions than Greater London and Greater South East. Thus the difference between Paris and London (and between France and the UK) is not a trade-off between more growth and a more “qualitative” development. And if the spatial dimension – the more even development nationwide in France – really mattered *per se* then Metropolitan France would symmetrically perform better than the UK which is seemingly not even the case. These results overall indicate that there is indeed a dead-weight loss in the case of Paris and France, which calls for confronting these results to past and current views on the whole French spatial system.

2) “Paris and the French desert”, still

Let us put these results into perspective by recalling the main views that are often invoked when it comes to understanding the territorial dynamics of Paris and France.

From “Paris and the French desert” to the “metropolis-France”: past and current views on the French urban system

Different visions of the French urban system and therefore of Paris have been developed since the mid-20th century and are still debated today. Let us present and summarize them and see how the results earlier presented fit into these different visions. One of the most famous and influential view on the development of Paris comes from *Paris and the French desert* by Jean-François Gravier (Le Portulan, 1947) – even though it is far from being an academic essay. This book marked the heyday of the dramatization of the macrocephaly of the French urban system. Its thesis is quite clear: Paris is the cause for the decline of the rest of France. « *In all the issues, the Paris agglomeration has behaved since 1850, not as a metropolis that vivifies its hinterland, but as a « monopolist » group devouring the national substance (...). Regarding decision centres, conception centres and rare services, Paris has confiscated managing activities and left subordinated activities to the rest of France. This absolute dependency is indeed proper to colonial regimes* ». ¹ The French capital must therefore be dried up in order to save the country.

Despite a series of anachronisms, transformed quotes, confusions of definitions and economic absurdities, this view undoubtedly had durable impact on representations and concrete applications through post-War French planning policies (Marchand 2008).²

¹ This extract from *Paris and the French Desert* is quoted by Bernard Marchand : « *dans tous les domaines, l'agglomération parisienne s'est comportée depuis 1850, non pas comme une métropole vivifiant son arrière-pays, mais comme un groupe « monopoleur » dévorant la substance nationale (...). Qu'il s'agisse des centres de décision, des centres de conception ou des services rares, Paris a confisqué les activités directrices et laissé au reste de la France les activités subordonnées. Cette dépendance absolue est bien le propre du régime colonial* » (Marchand, 2001, p. 235).

² As shown by Bernard Marchand this essay is in fact more a polemic than a geography essay. Jean-François Gravier's political and ideological views came directly from Charles Maurras and were consistent with the views of the Vichy regime for which he had been involved (Marchand, 2001).

Diminishing the size of Paris and redistributing its equipment and productive resources across the rest of France was indeed one of the leitmotifs of the policies of « aménagement du territoire » (territorial planning) for the whole second part of the XXth century. This voluntarism on behalf of the central government was epitomised by the creation in 1963 of the Délégation Interministérielle à l'Aménagement du Territoire et à l'Attractivité Régionale (DATAR). Nationwide these policies implied symbolic relocations from State services, administrations or « grandes écoles »: the Ecole National d'Administration (ENA) in Strasbourg, the Ecole Normale Supérieure in Lyon or the Ecole de la Magistrature in Bordeaux. The policy of the « métropoles d'équilibres » was launched in 1964 and was supposed to accompany these relocations of large public equipment by favouring urban growth and the development of secondary centralities. These metropolitan areas¹ were somehow supposed to relay this de-concentration at regional level. Investments in the creation of the high-speed train network (« Train à Grande Vitesse » or « TGV ») at the same time, linking them to Paris, were carried out with the same objectives.

Beyond these relocations and planning policies implemented by the central government, large firms launched internal delocalizations (de-agglomeration), before the creation of the DATAR, following principles of a Taylorian spatial organization of their productive systems on the whole national territory (Veltz, 1996). The economic organization of the country back then was structured around large national firms which themselves carried out big industrial projects. Under the combined effect of big infrastructure networks, voluntarist State policies and the new geography of large education and research structures, spatial strategies of big firms mainly consisted in splitting their different activities and allocate them geographically according to the internal efficiency of their production process (Noisette & Vallérugo, 2019): primary production in the medium-size cities (skilled but cheap labour force) ; administrative and management functions in large cities. As for research activities they were settled along the Paris-Rhône-Méditerranée axis. Hence the trend for global decrease of interregional inequalities throughout this large period of time that has been measured by Miren Lafourcade

Despite all that he also revived an older French anti-urban and anti-Parisian cultural tradition (Marchand, 2009).

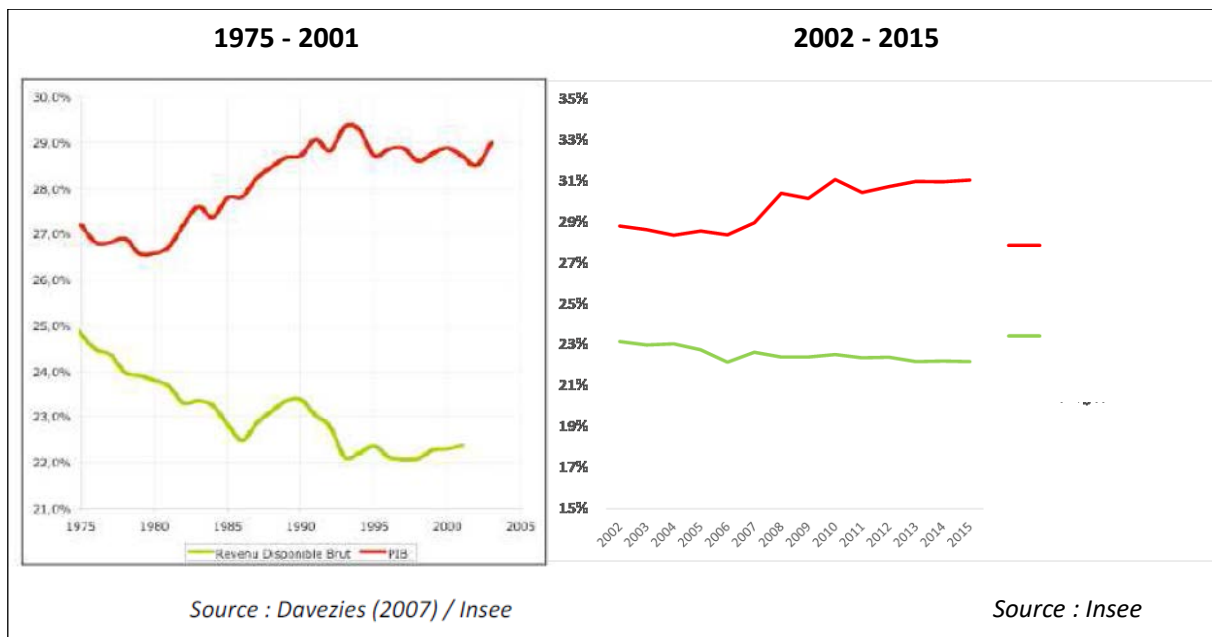
¹ Eight were identified as « métropoles d'équilibres » : Lille-Roubaix-Tourcoing, Nancy-Metz, Strasbourg, Lyon-Grenoble-Saint-Etienne, Marseille, Toulouse, Bordeaux, Nantes-Saint-Lazare. They were later completed by four others : Rennes, Clermont-Ferrand, Dijon and Nice.

between 1930 and 2000, contrary to their past increase between 1860 and 1930 (Combes et al., 2008; Lafourcade, 2012).

Yet it remains difficult to precisely assess the role played by these voluntarist planning policies on the reduction of spatial inequalities in France, which were observed in every other developed economies in these Fordist macroeconomic times. If the effect was probably rather limited – despite the strength of land, urban and economic tools owned by the central government back then – planning policies inspired by Jean-François Gravier have strongly influenced spatial arbitrages in terms of public investments and redistribution,¹ and durably anchored a certain view of economic and spatial development in France: a zero-sum game where the development of some is the cause of the underdevelopment of others. With the possible consequence of weakening the first ones without in return developing the others.

As mentioned several times so far in this thesis the dotcom boom and the end of the Fordist macroeconomic context has produced worldwide and ongoing urbanization as well as metropolization processes that have affected the whole French urban system (Bourdeau-Lepage, 2013). Nevertheless the transformation of the economic bases of Paris and the main French metropolitan areas – the growing share of services as opposed to employment in production – has not put an end to territorial redistribution between Paris and the rest of France. In 2007 the economist Laurent Davezies published a report for the Institut pour la Recherche de la Caisse des dépôts et consignations entitled *Croissance sans développement en Ile-de-France*. He highlighted the existence of a spectacular wedge effect over the last 25 years of the 20th century between the geography of economic growth and the geography of disposable income of households. By comparing the evolution of the share of the Région Ile-de-France in the national GDP to the share of the same region in the national disposable income, he showed that this gap had gone from 2% in 1975 to 7% in 2000. In other words the disposable income of the households from the capital region had become less and less proportionate to the contribution of the same region to national GDP – which increased due to the new wave of metropolization stemming from the Third Industrial Revolution. More recent data (2002-2015) illustrate the relative slowing of this scissors effect in the early 2000s onwards, even though the gap between both ratios now reaches 8 to 9%.

¹ Bernard Marchand provides precise data on the 1995 budget of the State showing that the Région Ile-de-France highly contributes to national solidarity, in absolute-value terms but also in terms of taxation versus benefits per inhabitant (Marchand, 2009).



Indeed taxation and redistribution drive a wedge between wealth production and disposable income. Paying for public employment, social benefits and pensions¹ generate “invisible circulation of wealth” [“une circulation invisible des richesses”] (Davezies, 2008) between territories that contribute to these “transfer revenues” [“revenus de transfert”] and those which benefit from them. Contrary to what Jean-François Gravier was asserting Paris shares its wealth with the rest of France, and not the other way round. And “to this game of transfers the Ile-de-France is the only one losing and heavily” [“à ce jeu des transferts il n’y a que l’Ile-de-France qui soit perdante et lourdement”] (Davezies, 2012, p. 56). Moreover the dependency of most of the national territory to the economic growth of the Paris region must be appreciated in terms of “tradable” and “nontradable” economies and employment.² Around the revenues exogenously injected through redistribution, a whole nontradable economy aggregate in order – by definition - to catch these revenues through the satisfaction of the needs for the corresponding populations: education, wealth, social action, administrations, retail, accommodation and food, construction, household services or transport.³ Therefore the

¹ Residential mobility of pensioners is especially structuring when it comes to the distortion earlier evoked since pensions are allocated whatever the location chosen. Heliotropism of Atlantic and Mediterranean coasts play in this respect an important role in the spatial redistribution of wealth across the country.

² This distinction corresponds to the two « economic spheres » of INSEE : “présentielle” (*nontradable*) and “non-présentielle” or “productive” (*tradable*).

³ By difference the tradable economy designates both all the goods and services that can be consumed outside the local economy (exported) and those that serve local businesses – as opposed to consumers.

numerous publications by Laurent Davezies have given a response to “Paris and the French desert” by both providing the empirical evidence of the persistence of social and territorial redistribution between Paris and the rest of France, and therefore on the dependency of almost every other French territories to territorial redistribution from the Paris region.¹

Another response to the view from “Paris and the French desert” and its political implications was implemented by Pierre Veltz through his notion of “metropolis-France”. The historical stability of the French urban system has been pointed out multiple times: few exogenous disruptions – very few new creations² - or endogenous ones – little migratory disruptions or economic major movements between cities like in Germany³ or England.⁴ If planning policies around the “métropoles d’équilibre” have probably had limited effect on the macrocephaly of the French urban system, the display of the TGV network on the whole national territory has drawn the skeleton of an integrated network system between Paris its regional metropolises, such as Lyon, Aix-Marseille, Lille, Nice, Nantes, Rennes, Bordeaux or Toulouse (Veltz, 2012). The ongoing metropolization would thus in fact be setting this whole system off, working as a unique “city-France” [“ville-France”] or “metropolis-France” [“metropolis-France”], an integrated and hierarchical urban and economic system rather well distributed spatially on the national territory (Veltz, 2019).

¹ His numerous publications have successfully put in perspective the considerable shock-absorber role played by French public and social spending in macroeconomic shocks from the last forty years (1973-74, 1983, 1993, 2000, 2008-09). Therefore the crisis of public finance in 2011 onwards has the specificity in the case of France to jeopardize its traditional - both structural and cyclical – remedies to economic crises. What Laurent Davezies names “*the upcoming crisis*” [“la crise qui vient”] is the one that could lead the country to cut part of its public and social spendings with socioeconomic, territorial and political possibly threatening secondary effects (Davezies, 2012).

² Over a thousand cities Fernand Braudel estimates new creations to around twenty after the Middle Ages (*L’Identité de la France. Les Hommes et les choses*, vol.II, Flammarion, 1990, p.221).

³ The Second World War, the partition then the reunification has generated throughout the last century an especially fluctuating geography, mostly between Berlin and the South of the country.

⁴ If the British Industrial Revolution was more carried out by the North and the Midlands than London, in France “*the “industrial” cities remained rather rare, at least until the 19th century. And the force of Paris was probably enough to carry by itself the industrial revolution (...). This industrial revolution in the 19th century has thus relied more on the rural world than on large cities – even though of course some urban “UFOs” like Roubaix emerged ; but nothing compared to Manchester, Leeds, Liverpool or Glasgow*” [“« les villes « industrielles » sont restées assez rares, du moins jusqu’au XIX^e siècle. Et la force de Paris fut sous doute suffisante pour porter à elle seule la révolution industrielle (...). Cette révolution industrielle au XIX^e siècle s’est ainsi davantage appuyée sur le monde rural que sur les grandes villes – même si, bien sûr, elle a fait émerger des « ovnis » urbains du type Roubaix ; mais rien de comparable à Manchester, Leeds, Liverpool ou Glasgow »] (Veltz, 2019).

This original emerging urban structure and network would favour a territorial rebalance of development visible since the 1990s, not through top-down redistribution of economic and administrative functions, but by the dynamism of some of these regional metropolises, especially those that would have successfully seized during the last forty years the potentialities opened by administrative decentralization as well as connectivity to Paris. The analysis by Pierre Veltz of an urban network as the “metropolis-France”, articulated around Paris and rather well spread throughout France – with its organization relying on daily professional commuting, residential migration cycles as well as intra- and inter-companies economic exchanges – is the mirror of the image drawn by Laurent Davezies on the circulation of wealth and the irrigation role played by Paris. Both views clearly implying the anachronism of “Paris and the French desert” approach.

The end of “Paris and the French desert”? The persistence of a Fordist economic and urban scheme

What is the general view that emerges from this comparative analysis of Paris and London? First of all the persistence of territorial redistribution in France – mostly from Paris to the rest of it - is unquestionable as clearly stated before. Then in spatial terms the metaphor of the “metropolis-France” well fits the general trend in which population and employment dynamics are better in France than in Paris, as well as the residential migrations cycles highlighted in the first part of the chapter. Data on metropolitan areas in France and the UK from OECD (see Appendix p.98-105) exhibit the same trend. But the question remains: does the spatial distribution of these regional metropolises matter *per se*, as opposed to a more unbalanced UK system with a persistent “North-South” divide that would in itself be a problem? Following Pierre Veltz’s analysis, Mario Polèse, Richard Shearmur and Laurent Terral provided an assumed positive version on the French urban system by mentioning “*the luck of France*” [“*la chance de la France*”]: globalization and metropolization processes would be “*favouring the emergence of a more balanced economic and social scheme. To put in as radically as Gravier in its time, the French “desert” is about to disappear, to be replaced by a network country (Veltz, 2012), an integrated France by its transport networks and shaped with regions and interdependent cities. All the countries do not have this chance: in England, as we will see, the same trends have generated the opposite effect and tended to aggravate the*

disequilibrium inherited from the past. This is the reasons why we speak, in the French case, of a “lucky” geography”.¹

But if it was indeed the case, Metropolitan France would be at least as dynamic as UK as a whole (unlike the results presented in the first part), and the only difference would concern spatial allocation of development. The *trompe-l’oeil* is that the majority of these metropolises display better employment dynamics than Paris (see Appendix p.101 for the mean dynamics of the seven larger metropolitan areas).² Then the debate in France often focuses on whether or not these regional metropolises are an economic driving force for their territorial development and on the necessary planning policies at local and regional level for having these cities play this role. In 2017 Nadine Levratto, Marc Brunetto, Denis Carré and Luc Tessier published a report in which they tried to measure and compare the dynamics of regional metropolises to the ones of their surrounding environments (Levratto, Carré, Brunetto, & Tessier, 2017). By distinguishing between structural and local effects, they carried out econometrical correlation tests using a Moran index on “employment zones”³ between 2009 and 2014. Their results show that the correlation between the growth of regional metropolises and their environment⁴ is far from being automatic: Lyon, Nantes and Aix-Marseille and to a lesser extent Bordeaux and Rennes show a favourable dynamic like for their environment.⁵ Conversely Lille, Montpellier and Toulouse are in an “isolated” situation since their growth has seemingly no effect on their

¹ « Les grandes tendances (...) favoris[eraient] l’émergence d’une d’un espace économique et social plus équilibré. Pour le dire de manière aussi radicale que Gravier en son temps, le « désert » français est en voie de disparaître, pour laisser la place à un pays en réseau (Veltz 2012), une France intégrée par ses réseaux de transports et façonnée de régions et de villes interdépendantes. Tous les pays n’ont pas cette chance : en Angleterre, comme nous le verrons, les mêmes tendances ont produit l’effet inverse et tendent à exacerber les déséquilibres hérités du passé. C’est la raison pour laquelle nous parlons, dans le cas français, d’une géographie « chanceuse » (Polese et al., 2014, p. 67).

² Of course they all have different trajectories. Between 1975 and 2011 the employment growth of regional metropolises was mostly driven by five of them : Toulouse, Montpellier, Bordeaux, Nantes and Rennes. For the other eights (outside Paris) the dynamics is lower : Lyon, Grenoble, Aix-Marseille and Strasbourg have a relatively limited growth ; Breast and Nice exhibit a relative growth close to zero ; as for Lille-Roubaix-Tourcoing and Rouen, their relative weight waned over this period (Levratto et al., 2017).

³ An “employment zone” [“zone d’emplois”] is defined by INSEE as “a geographical space within which most inhabitants live and work, and in which firms can find most of the required labour-force for meeting its labour demand”: see the whole methodology [here](#).

⁴ The metropolis is approached by its “employment zone” and its “environment” is defined as all the other employment zones of the same administrative region.

⁵ Their environment being defined as all the INSEE « employment zones » [“zones d’emplois”] of the administrative region.

environment. As Grenoble and Strasbourg, they appear as less dynamic than their environment, while Nice and Rouen even show a negative trend (Levratto et al., 2017).

The problem is that the nature of the development of French regional metropolises is never really questioned and therefore not precisely understood. Never beyond general population and employment trends or simple correlation analysis. For empirical reasons of course, since more precise data on GDP, employment or income dynamics are not available below NUTS3 levels (*départements*), but not only. Using INSEE statistics on annual wage employment between 1989 and 2013, and by approaching the seven larger regional French metropolises by their *départements*, a first assessment can be carried out (see Appendix p.106-107). As seen below, the job creation in the Paris core over this period of time was exclusively driven by services and especially market services (85% of wage employment creation), against 15% in nonmarket services: public administration, education, human health and social work activities. Even regarding the other French largest regional metropolises in population terms this mean share drops to 64%, which means that one third of wage employment creation related to nonmarket services.

Sectoral decomposition of wage employment creation in Paris and approached regional metropolises (thousands), 1989-2013

Wage employment creation (1989-2013)	TOTAL CREATION	Agriculture	Industry	Construction	Market services	Non market services
Paris and petite couronne / Equivalent core	588	0%	NA	NA	85%	15%
Région Ile-de-France / Equivalent Paris FUR	1 041	NA	NA	NA	80%	20%
Rhône (Lyon)	201	0%	NA	NA	67%	33%
Bouche-du-Rhône (Marseille)	187	NA	NA	NA	64%	36%
Nord (Lille)	214	0%	NA	2%	62%	37%
Haute-Garonne (Toulouse)	202	0%	5%	4%	66%	25%
Gironde (Bordeaux)	171	2%	NA	4%	62%	32%
Loire-Atlantique (Nantes)	184	0%	NA	5%	68%	27%
Alpes-Maritimes (Nice)	91	0%	NA	NA	60%	40%
Mean regional metropolitan areas	179	0%	5%	3%	64%	33%

Source : INSEE. We are only computing the share of each job category in the job creation.

Hence that negative value are not considered (“NA”).

More precise measures on “Professional, scientific and technical activities; administrative and support activities” also show a clear difference between the kind of services that were developed in Paris at the time and in the other metropolises. On average the majority of services created in regional metropolises were “administrative and support activities” (55%), namely low- and middle-skill routine employment. Only in the Paris core did the majority of job creations come from high-skilled business services (“legal, accounting, management,

architecture, engineering, control and technical services”). In this respect, coming back to the analysis on compared specialization between Paris and London, the secondary cities in the Greater South East shelter a frankly higher proportion of command functions than the French regional metropolises. These metropolises appear subordinated to the command from strategic functions in Paris. Everything happened as if the TGV network had in fact had an accelerating and centralizing effect on the spatial organization of firms, which only left routine administrative functions on these territories while settling (back) the more-skilled ones in Paris. This is highly consistent with the European comparative analysis by Simmona Iammarino, Andres Rodriguez-Pose, Michael Storper and Andreas Diemer, published in July 2020, which shows that all the French regions but Paris have fallen into the “middle-income trap” (Iammarino, Rodríguez-Pose, Storper, & Diemer, 2020).¹ In other words they are caught in a stranglehold between Paris (high productivity, large size, high incomes, attractiveness for skilled populations and concentration of innovative activities) and other locations at the bottom of scale regarding income per capita which attract investments thanks to the low cost of their inputs (land, labour force), making them attractive but only for routine functions of the value-chain.²

The case of “Scientific Research & Development” activities is also noticeable. All the regional metropolises have witnessed a higher proportion of creation of employment in R&D than the Paris region, even though in absolute value terms the numbers are way lower.³ The more plausible scheme that connects all these observations is that the French economic base and its productive cycles in France are still largely organized like they used to be during the *Trente Glorieuses*. Internally within big firms, having divided their productive cycles spatially but in which strategic and commanding functions tended to become even more centralized in Paris because of metropolization processes, with remaining R&D activities spread out in some

¹ Toulouse still appears as an exception, with almost half of wage employment created being high-skilled business services, as well as some creation in Scientific Research and Development. The settlement of Airbus Group probably played a significant role in the development a skilled services economy around it. Interestingly, Toulouse is far from being highly connected to Paris since the TGV network still places it at more than four hours, unlike the others (between one and three hours). The centralizing effect of the TGV probably did not occur in the same proportion, but investigating this would need additional research.

² See for instance the summary made of Michael Storper’s intervention to the Summer University of the Directeurs généraux des Communautés de France in July 2017, available [here](#).

³ The 15% in Alpes-Maritimes must be put in perspective, being applied to very low wage employment creation and mostly explained by the presence of Sofia-Antipolis next to Cannes.

regional metropolitan areas. Paris is indeed the head of a nationally consolidated economic system.

Sectoral decomposition of wage employment creation in Paris and approached regional metropolises (thousands), 1989-2013

Wage employment creation (1989-2013)	Professional, scientific and technical activities ; administrative and support activities Creation	Legal, accounting, management, architecture, engineering, control and technical services	Scientific Research & Development	Other specialised services	Administrative and support activities
Paris and petite couronne / Equivalent core	220	56%	2%	4%	39%
Région Ile-de-France / Equivalent Paris FUR	335	46%	1%	3%	50%
Rhône (Lyon)	55	38%	6%	1%	55%
Bouche-du-Rhône (Marseille)	47	39%	5%	1%	55%
Nord (Lille)	62	34%	2%	4%	59%
Haute-Garonne (Toulouse)	55	49%	5%	3%	43%
Gironde (Bordeaux)	42	25%	9%	3%	63%
Loire-Atlantique (Nantes)	46	32%	4%	6%	59%
Alpes-Maritimes (Nice)	19	31%	15%	1%	54%
Mean regional metropolitan areas	47	35%	7%	3%	55%

Source : INSEE

To summarize it all: in a way the Paris metropolitan economy weighs neither more nor less than the French economy, from which it concentrates nearly all the strategic leading economic, administrative as well as political functions. And unlike dominant views it is not a positive thing.¹ Paris should not be the sole place that generates and concentrates almost everything that matters in France in terms of the New Economy or the high-wage, high-skilled parts of the contemporary economic system. The overall French spatial-economic dynamic appears somehow stuck by a hierarchical Fordist organization in which productive cycles are still in majority organized and rationalized internally within firms with no real endogenous dynamics in the regional metropolises in which much of their value chains are located, in a top-down spatial division of labour at the national scale. But Paris is not exempt from the negative consequences of this system either, for it is characterized by weak population and employment growth, whose qualitative effects are masked by the presence of headquarters, which drives productivity up in a mechanical way. This is a form of ‘firm sorting’ that feeds on an extreme

¹ As a comparison London today in economic terms appears as way more than just the capital of the United Kingdom.

spatial concentration of higher order functions in the entire national economy, making other locations inviable for higher-order entrepreneurship, innovation, or administration.

Elsewhere, population as well as employment growth relates to both redistributive national income policies, and to the hierarchical division of labour within national-scale firms and the logic of routine versus non-routine functions of foreign firms that invest in France. The public part of this is direct, consisting of revenue transfers (public employment, social budgets and pensions) ; and indirect, with both low or medium-skilled remaining administrative and support services from productive cycles implemented nationally within large firms, and a nontradable economy (local multiplier effects) gathering around all of this.

The French urban system mirrors the organization of production processes that are here qualified as still “Fordist” in the sense that it bases value-creation on purely internal dimensions to firms: Fordism relates to a specific manufacturing system that was implemented throughout the 20th century, based on mass-production and mass-consumption. It relied on standardization of products and productivity gains through a maximum division of labour in assembly lines. Before the Third Industrial Revolution value-creation mainly depended on the capacity for rationalizing production processes within firms. As previously described French big firms during the Trente Glorieuses also carried out these principles in spatial terms on the whole national territory, while France indeed proved efficient not in innovating but in rationalizing production processes for products invented elsewhere: a good “second-mover” in a way. The Third Industrial Revolution has moved value-creation in favour of innovation and flexible production systems, diminishing the value-added of being a good “second-mover”. While this new context has changed the economic base of France and Paris, the overall urban and economic scheme itself has proved quite rigid, blocked on previous macroeconomic times and thus limiting dynamic effects of metropolization.

In 1994 Michael Storper and Robert Salais published *Les Mondes de production. Enquête sur l'identité économique de la France*, in which they provided a very precise and multi-scale view of the organization and regulations of the French economic system, comparing it to the ones of Italy and the United States. In a specific chapter on the Région Ile-de-France they described the organization of two specific industries – haute couture and high technology – as a mirror of a general picture of France’s economic identity: consolidated and rationalized economic systems whose head in the Paris region worked in close proximity with the State through various *corps* (engineers and high-ranking officials from the *grandes écoles* with strong

barriers to entry and a general insider-outsider scheme). These systems favour products based on scale economies and cost-competitiveness, whose weight in the global economy were decreasing in the 1980s onwards (Salais & Storper, 1994). Our results suggests that their analysis is still highly relevant: a persistent Fordist organization with its territorial mirror in the French spatial scheme.

Conclusion for Chapter 2

Paris and London display unequal metropolitan dynamics which are largely reflected in national dynamics and inscribed in national narratives

Let us now return to the opening of this chapter and summarize the argument made, to which London and Paris epitomize the variety of French and British economic and regulatory systems in many ways.

SCALES	FRANCE	UNITED KINGDOM	DIMENSIONS
CAPITAL METROPOLITAN REGIONS	Weak	Strong	POPULATION DYNAMICS
	Driven by natural change	Driven by immigration	
	Low employment dynamics	More dynamic	OVERALL ECONOMIC PERFORMANCE
	Productive but fuzzy and sluggish	More specialized in skilled high-wage industries	
		More innovative	
	Weaker labour productivity		
	Less unequal	More unequal	
OTHER REGIONS	Rather similar	Rather similar	POPULATION DYNAMICS
	Fewer regional inequalities with nevertheless some deprived areas	Strong regional inequalities North-South divide and strong disindustrialized areas	OVERALL TERRITORIAL INEQUALITIES
	Strong employment dynamics but driven by nontradeable sectors and lower-skilled administrative and support services	More dynamic and innovative, especially the Greater South East	OVERALL ECONOMIC PERFORMANCE
	Weakly innovative	More innovative but mostly in the Greater South East	
NATIONAL SCALE	Nationally integrated internal migration cycles	Internal out migration from London limited to the Greater South East	RELATIONSHIP BETWEEN THE CAPITAL AND THE OTHER REGIONS
	Administrative with economic dependency ("feudalism")	Competitive and liberal	

The United Kingdom as a spatial system is characterized by higher territorial competition but overall stronger dynamism and more innovation, which occur mostly in the Greater South East. Through the persistence of strong public and social redistribution France maintains a smaller level of interregional inequalities but at the cost of general lack of dynamism. Other regions than Paris exhibit strong employment dynamics but mostly driven by nontradeable sectors and low-skilled administrative and support services, even in its regional metropolises. The relationship between Paris and the rest of France remains largely administrative and economically interdependent, as a form of persistent feudalism. The striking element in the French case relates to the gap between the prevailing political as well as academic discourses on the strengths and balance of the French spatial system, with a network between Paris and

some regional metropolises spread evenly on the territory, and the cost that is paid for maintaining this system. The dominant views are mostly normative and physiocratic, and undermine the fact that this strong economic regulation and territorial redistribution tightens endogenous capacities of almost every territories. Interregional inequalities are thus indeed waned but at a very high and undermined costs.

In the British case things appear more clear because the strong “North-South divide” in terms of socioeconomic and demographic dynamism had been witnessed before by various academic works and is not questioned as a fact. Some have provided a long-term historical perspective to show that the distribution of wealth in Britain had first been very similar and quite stable between the 11th and the late 17th century (Buckatzsch 1950), before the 18th and the 19th century drastically changed this geography in favour of an axis from Middlesex and Surrey to Lancashire in the North West through Warwickshire and Staffordshire (Dunford 1995).

In this light, it is fascinating to contrast the narratives that are constructed by British thinkers about London in relation to the UK. In the UK there are those who advocate “spatial rebalancing,” somewhat echoing the old DATAR school in France notably Ron Martin (Martin, 2015; Martin, Pike, Tyler, & Gardiner, 2016). But it is fair to say that the views of spatial economists have more purchase in the British debate about London and the trade-offs involved in metropolitan development in relation to spatial inequalities. In the words of some, trying to “mind the gap” would be highly questionable in terms of economic efficiency (Duranton and Monastiriotis 2001). Henry Overman (2015) argues that “*the traditional policy-mix with central government investing in local growth projects, transport and other infrastructure, funding for business support and access to finance, and a host of other interventions*” had been “*highly ineffective*” (Overman, 2015, p. 2). After showing clear evidence of higher attractiveness and economic opportunities in London, he then asks on whether or not it is in the end a good thing for UK as a whole. Those in favour of spatial redistribution – also partly implying actions limiting London’s growth such as stronger Green Belt policies or lower London allowances for public workers – argue that such spreading of growth would allow a better use of underused resources in some places (Martin, 2015; Martin et al., 2016). Overman asserts on the contrary that the economic performance of London and the unique opportunities offered in the Greater South East could not be created elsewhere and that the prior concern should be to make sure that the leading regions continue to perform in order to maximize economic opportunities. He

concludes that too often spatial public policies focus on places and forget that in the end their concern should be individuals and the development of opportunities in some locations.¹ Which in the end would lead people to move to opportunity locations.

In this respect, it is worth noting that there is a strong ideological belief in France that mirrors the older DATAR approach, i.e. that the State should step in and radically redistribute the cards of development toward the regions and the regional metropolitan regions. In academic terms this reflects in the response of Olivier Bouba-Olga and Michael Grossetti (Bouba-Olga & Grossetti, 2015) to the article published by Laurent Davezies and Thierry Pech on today's territorial issues in France – in which they question the very notion that value creation is more and more spatially concentrated (Davezies & Pech, 2014). These authors attempt to demonstrate that the higher productivity of Paris compared to the rest of France is a pure statistical illusion based on both composition² and interdependence³ effects. From this they conclude in this article and further publications that there is a “*false economic promise of metropolises*” [“fausse promesse économique des métropoles”] or that “*metropolises are seen everywhere but in the statistics*” [“On voit des métropoles partout sauf dans les statistiques”].⁴

¹ He acknowledges that the UK would need one of two additional cities in the North capable of providing rather comparable economic opportunities to London.

² The observed higher productivity (GDP per capita and GDP per employment) would be the result of an overrepresentation of high value-added activities such as headquarters or finance and business services, which also produce what they call a “Piketty” effect: the increase of income inequalities from above would artificially drive productivity up. The authors then re-calculate a new alleged “real” higher productivity of Paris. But the reasoning is purely counterfactual and forgets that this different sectoral and functional economic composition is indeed the result of productivity differences. Which they question too briefly at some point while very vaguely and quickly answering it : “*One could of course argue that these composition effects themselves stem from anterior productivity effects : if the Ile-de-France holds productivity advantages in some economic sectors and if market forces work, then one must observe ex post an allocation of activities between regions that reflects relative productivities. Our feeling, however, is that the geography of activities specific to the Ile-de-France (finance, fashion, ministries, large administrations...) owes more to the institutional and political history of the country than the game of free-market* » [« On pourrait bien sûr arguer du fait que ces effets de composition résultent eux-mêmes d'effets antérieurs de productivité : si l'Île-de-France détient des avantages de productivité dans certains secteurs d'activité et si le marché fonctionne, alors on doit observer ex post une répartition des activités entre les régions qui reflète les productivités relatives. Notre sentiment, cependant, est que la géographie des activités spécifiques à l'Île-de-France (finance, mode, ministères, grandes administrations, ...) doit plus à l'histoire institutionnelle et politique du pays qu'au libre jeu du marché... »] (Bouba-Olga & Grossetti, 2015, p. 128).

³ The economic activity in Paris is indeed highly to other locations with which they share functional economic links within and between firms.

⁴ The respective articles can be found in the following links: on the “[false economic promise of metropolises](#)” and the on the “[statistical illusion of metropolises](#)”. In a more recent [publication](#) the two

The intuition of the authors that there is something odd with this much higher productivity of Ile-de-France in relation to the rest of the country is in many respects true. As stated before for London apparent statistical productivity is lower. But in fact because of its higher demographic and economic dynamism it is undoubtedly more productive than Paris as an urban system.¹ It is one thing to assert, as I have above, that part of Parisian productivity is due to the super-concentration of higher-order functions in the Ile-de-France and the relegation of routine functions to regional metropolitan areas. It is quite another to claim that contemporary economic development is not based on urbanization. Their counterfactual statement – which amounts to the notion that one could simply take activities and dribble them across the map of France and thereby “equalize” development – is of course devoid of correct understanding of agglomeration and urbanization economies. On the contrary, as previously seen, the counterfactual “optimal spatial distribution for France” that corresponds to the basic insights of spatial economics would be one in which France would have more dynamic metropolitan centres, rather than just one (or perhaps two if we include Toulouse) and a set of dependent locations. Under any viable scenario a middle-sized country such as France would have some kind of urban size hierarchy, and would require some set of relatively large metropolitan areas that have the diversity and size to generate sharing, matching and learning in the highest order functions of the Third Industrial Revolution. These functions could potentially be more spread out than they are at present. But in addition the national rate of innovation and higher-order entrepreneurship could also be elevated if more metropolitan areas offered the local conditions for these kinds of income-raising activities. Any possible spatial scenario for a wealthy and dynamic France therefore requires more metropolitan growth and more metropolitan areas that are genuinely dynamic in their own right.

In political terms the success of the “France périphérique” theme by Christophe Guilluy is equally reflective of the mechanical and administrative way of thinking about spatial economics and demography that is prevalent in France. Developed in various essays with evocating titles such as *Peripheral France – How we sacrificed working classes* [“La France périphérique – Comment on a sacrifié les classes populaires”] (Flammarion, 2014) then *The*

authors even mention a “*CAME mythology*” for “*Competitiveness, Attractiveness, Metropolization, Excellence*” and reflect on how to “*dis-intoxicate*” from it.

¹ One last way of putting it would be to say that if Paris for some reasons reached a comparable dynamism than London, its apparent per capita or labour productivity would probably fall.

Crepuscule of the France from above [“The Crepuscule de la France d’en haut”] (Flammarion, 2016), the concept of “peripheral France” gathers and homogenises territories presented as excluded from the economic development generated by globalization. These locations are said to cumulate all the difficulties – economic deprivation, low education levels and access to employment and services. In mirror of that the “*France of the metropolises*” which in fact corresponds to the 25 most populated functional urban areas would catch all the positive outputs of globalization at the expense of its periphery. Both in the binary analysis of the French territory and in the overall rhetoric, Christophe Guilluy reproduces Jean-François Gravier’s views, except that “Paris” has been replaced with “metropolises”. Though this point of view does legitimately capture the frustration of many people and their regions with the geographical and spatial inequality effects of the last few decades, it nonetheless resorts to a primitive and uninformed anti-urbanism as a supposed solution to these inequalities. This analysis is full of confusions and statistical tricks serving a preconceived political and ideological conception.¹ Most especially its economics is faulty in the way that I have explained above for those who would deny the link between urbanization, innovation and productivity in the modern era. It sees economic development as a spatial zero-sum game that has to be re-engineered from the top. All available evidence suggests that such a destruction of agglomeration and urbanization economies would make France poorer and less dynamic, though perhaps more superficially equal. France still lives under “Paris and the French desert”, but it is not in dismantling Paris that the desert can be made to bloom.

Thus, the real differences between London and Paris’s performance, now exhaustively documented, are mirrored in the narratives and belief structures that hold sway in the two countries. This, as I shall establish in later chapters, will figure prominently in how governance is carried out and also how it is narrated in the two metropolitan regions, in an intimate dance between reality and justifying beliefs, such as conceptualized by the French sociologist Luc Boltanski and economist Laurent Thévenot in their famous essay *On Justification: Economies of Worth* (Boltanski & Thévenot, 1991). The following chapters aim at showing how the

¹ In this respect an article by Aliette Roux highlights in a very detailed manner how dishonest is the construction by the author of his “*fragility indicator*” [“indicateur de fragilité”] on which all his analysis is based and through which he argues on an alleged “scientific” dimension of his approach (Roux, 2016). The reader can also have a look at the response by Stephane Cordobes in the following [link](#) and the one by Eric Charmes [here](#).

governance of both cities mirror these different dynamics but also contribute to the reproduction of these narratives between both political and economic elites.

Chapter 3 (The outputs of urban governance: urban planning and the shaping of metropolitan dynamics)

“Sinicius: What is the city but the people?”

Citizens: True. The people are the city”.

Shakespeare, *Coriolanus*, Act 3, Scene 1

The previous two Chapters allowed us to produce a demographic, socioeconomic and spatial diagnosis on the two capital regions and see how these dynamics both reflect national ones and are inscribed in national narratives. The aim of this chapter is to investigate the role played by each system of interrelations in the reproduction of these schemes, whether as a simple pass-through of these evolutions or possibly as either a catalyst or waning filter of these dynamics. More specifically this Chapter draws a map of both institutional schemes in Paris and London and assesses them dynamically through planning and its “governance”. Which requires a theoretical introduction on this notion.

Finding its sources in neo-institutional economics in the 1930s (Coase, 1937; Williamson, 1981),¹ applied by the World Bank in the 1960s and 1970s for qualifying the organization of States and public policies in developing countries, step by step replacing the notion of “government” in various fields,² the notion of “governance” has been translated in the field of urban research in the 1980s and especially 1990s. It epitomises a paradigmatic change in the analyses of public action in cities, from a vertical approach mainly focusing on the coordination of States and their deconcentrated services on the one hand, and local actors on the other hand, to a horizontal approach based on multi-actor cooperation and partnerships, including non-institutional actors.

This evolution led to the emergence of the “*urban regimes*” approach in the United States especially through the work of Clarence Stone (Stone, 1989, 1993) and then in the United

¹ In the last Chapter and conclusion of this thesis, when considering what I define as an “economic governance” of cities, I will come back more precisely on the origins of the notion in neo-institutional economics and its evolution and application to urban and local management in France and the United Kingdom in the 1980s onwards. Respectively in a context of administrative decentralisation and Thatcherian reforms.

² It can more specifically apply to companies as well as public and/or political institutions: “corporate governance”, “local” or “regional governance”, “multi-level governance”, as well as “world” or “global governance”.

Kingdom by Gerry Stoker (Stoker, 1998) and in France by Gilles Novarina (Novarina, 1998). In their view collective action can no longer systematically stem from hierarchical systems of actors with well-defined prerogatives. It would conversely depend on the capacity of these actors to build temporary coalitions, based on new modalities of public action – contracts, cooperation, negotiation or partnership – for tackling different issues and, in relation to the subject of this Chapter, co-producing urban outputs. As Clarence Stone highlights “*regime analysis concedes to pluralism the unlikelyhood that any group can exercise comprehensive social control but also holds that the absence of monolithic control is so universal as to be uninteresting. Because the pluralist conception of power is in many ways uninstrucive, regime theory offers as an alternative a social production model of power (...). This is a facilitative concept, “power to” rather than “power over”*” (Stone, 1993, p. 8).

Therefore, in such a horizontal approach, the outputs of urban governance do not fundamentally differ from the ones of government. The difference mostly rely on the processes that lead to them. Which is why Gerry Stoker chooses not to provide a clear definition of urban governance but instead to qualify a situation of governance, as opposed to government, with five contextual propositions (Stoker, 1998, p. 16). “*Governance refers to a set of institutions and actors that are drawn from but also beyond government*” (1). “*Governance identifies the blurring of boundaries and responsibilities for tackling social and economic issues*” (2). “*Governance identifies the power dependence involved in the relationships between institutions involved in collective action*” (3). “*Governance is about autonomous self-governing networks of actors*” (4). “*Governance recognizes the capacity to get things done which does not rest on the power of government to command or use its authority. It sees government as able to use tools and techniques to steer and guide*” (5).

Numerous research have questioned the applicability of this “*urban regimes*” approach, of American inspiration, to the European case and especially to France and the United Kingdom. Such transcription would in these cases lead to underestimate the role of State and its administrations (Harding, 1997; Le Galès, 1995). Whereas in the US case both “government” and “governance” are used interchangeably (Jouve & Lefevre, 1999; Jouve, Lefèvre, & Offner, 1995), the distinction would be relevant in the British case where, such as in France, the long tradition of centralized State would place local territories in a different situation from the ones in the US. Patrick Le Galès thus asserts that “*the concept of political urban regime poorly applies to French cities where private interests and local authorities are less dependent from*

one another than in the United States, notably due to the presence of the State. One can acknowledge the importance of private actors in the urban governance without deducing the existence of a political urban regime. Even in the enlarged version of Stoker and Mossberger, the primacy still given to private interests in the structuring of urban governance seems to rely on a presupposed coherence and structuring of private interests that do not correspond to what is observed in British and French cities. In these countries, the State still plays an important role and private interests are more often internationalized groups than local companies attached to durable partnerships with the local authority” (Le Galès, 1995, p. 87).¹ In this perspective the conceptual development of “urban governance” as a paradigm for local public action would mirror a “re-scaling” process of European States (Brenner, 1999, 2004).

From then on, most of French political scientists in the 2000s onwards tended to focus more, or at least as much, on a vertical approach to “local” or “urban governance” than on a purely horizontal one. They notably analysed the new role and tools of central governments in the conduct of urban policies at local scales (Dupuy & Pollard, 2014; R. Epstein, 2006, 2015; Lascoumes & Le Galès, 2005). The main founding observation being that “*the marginalization of deconcentrated services went along with a renewal of the modalities of infra-national State intervention and with a reinforcement of its role in the monitoring of numerous territorial policies, which led to its reintroduction in the debates on the governance of French territories*” (R. Epstein, 2015, p. 459).² Whether they defend the concept of governance for renewing public action or conversely criticize it, most political scientists therefore remain centred on the evolution of the administrative and political system, even though they replace institutions in their socioeconomic environment. As Gilles Novarina asserts “*they rarely take into account the*

¹ « Le concept de régime politique urbain s’applique mal aux villes françaises où intérêts privés et autorités locales sont moins dépendants les uns des autres qu’aux Etats-Unis, du fait notamment de la présence de l’Etat. On peut reconnaître l’importance des acteurs privés dans la gouvernance urbaine sans en déduire l’existence d’un régime politique urbain. Même dans la version enrichie de Stoker et Mossberger, le primat donné malgré tout aux intérêts privés dans la structuration de la gouvernance urbaine nous semble reposer sur des présupposés concernant la cohérence, la structuration des intérêts privés qui ne correspondent pas à ce que l’on observe dans les villes britanniques et françaises. Dans ces deux pays, l’Etat joue un rôle encore important et les intérêts privés sont plus souvent des groupes internationalisés que des entreprises locales soucieuses de partenariat dans la durée avec l’autorité locale ».

² « La marginalisation des services déconcentrés s’est accompagnée d’un renouvellement des modalités de l’intervention infranationale de l’Etat et d’un renforcement de son rôle dans le pilotage de nombreuses politiques territoriales, qui ont conduit à sa réintroduction dans les débats sur la gouvernance des territoires français ».

process of construction of interests or structuring of relationships between actors, which according to them relates to sociology or economics. They do not try to put in perspective political action with regards to other (more informal) forms of regulation. And surprisingly, they ignore a whole part of Anglo-Saxon approach to governance, more specifically of the urban regimes theory, which relates to the formation of preferences, an English term that can be linked to the ones of social demands or interests” (Novarina, 1998, p. 174).¹ The nature and degree of applicability of the “urban regime” approach in the context of such traditionally centralized countries, all the more in the French case where most financial resources of territories still rely, as stated previously in Chapter 2, on transfer revenues operated at State level (Davezies, 2008, 2012), therefore remains an open question.

But the most striking element regarding the dense literature on urban governance since the 1990s onwards relates to the so far absence of preoccupation - and so attempts at measurement - of its effects or outputs. As Gerry Stoker had himself noticed, “*the contribution of the governance perspective to theory is not at the level of causal analysis. Nor does it offer a new normative theory. Its value is as an organizing framework*” (Stoker, 1998, p. 16). Yet at some point such framework, as conceptually and empirically useful as it may be, could potentially become limited to a descriptive and somewhat self-referential approach to cities, simply insisting on the complexity of cities as systems of multi-actor, multi-level and formal as well as informal interrelations.² In other words such analyses knowingly or unknowingly infer that everything happening within cities, being demographic or socioeconomic, relates to urban policies and in the end to urban governance. In this respect, Olivier Borraz and Patrick Le Galès rightly ask the question of “*what is governed cities and what is not ?*”, and then complete it by wondering “*who governs when nobody governs ?*” (Borraz & Le Galès, 2010, p. 2). Which is a way of reminding us to always apply “governance” to something – whether a location, an actor and/or an issue - and establish whether this something is more or less “*organized or steered*

¹ « Ils ne prennent guère en compte les processus de formation des intérêts ou la structuration du jeu des acteurs, qui selon eux relèvent de la sociologie ou de l'économie. Ils ne cherchent pas à mettre en perspective l'action politique par rapport à d'autres modes (plus informels) de régulation. Et curieusement, ils passent sous silence tout un pan des approches anglo-saxonnes de la gouvernance, plus particulièrement de la théorie des régimes urbains, qui a trait à la formation des préférences, terme anglais qui peut être rapproché de celui de demandes sociales ou d'intérêts ».

² Very few attempts for coming up with an analytical framework of governance systems and their effects in a comparative perspective exist, but they remain focused on organizational innovations with limited empirical results because of the complexity of assessing organizational efficiency in quantitative terms (Rey-Valette et al., 2014; Rey-Valette & Mathé, 2012).

according to market logics” and if the actors involved are “*more or less dependent upon government resources to develop their projects*” (Borraz & Le Galès, 2010, p. 2). In our view such relevant questions also need to be supplemented by questioning the extent to which governance matter when it comes to understanding the evolution of cities, with regards to other technological and economic forces. In other words our methodology consists in neither asserting that governance does not matter, nor claiming that everything happening within cities is a matter of governance.

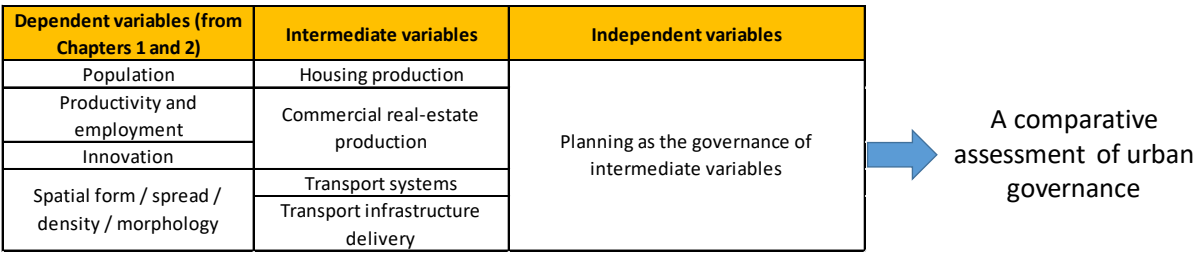
The aim of this Chapter is thus to try to comparatively assess the role of metropolitan governance in the two cities in their respective dynamics highlighted in Chapter 2, but base this comparison on the Cartesian or methodological doubt on the effect of it. From now on I generally consider “urban” or “metropolitan governance” as the various processes by which the ensemble of actors of a city and/or a territory interact, in a variable mix of hierarchical, institutionalized, coordinated and conflictual ways, for achieving more or less shared and negotiated goals in an uncertain and evolving environment. The demographic and socioeconomic diagnosis presented in previous chapters is considered here as the dependent variable of our analysis. I then isolate governance as an explanation of some of these differences, thus deploying it as the independent variable in my framework.

Directly linking governance to the evidence on thirty years of population, employment, GDP or innovation seems very ambitious at first sight. This requires intermediate variables as proxies for governance. The first section thus draws the institutional maps of both regions and generally presents the actors mentioned later on (A). The second one enters into the study of intermediate dependent variables, which are basically domains in which governance responds to and shapes the economy and spatial structure of a metropolitan area: housing, commercial real-estate and transport provision – all three considered henceforth as “urban outputs”. A comparative analysis of the systems of interrelations leading to these urban outputs is here carried out (B). Eventually the spatial structure of the cities highlighted in the previous chapters at some point mirrors the mobility practices of its inhabitants and thus the transport infrastructure of the two cities.¹ Hence the analysis of the various ways in which the existing

¹ By “transport infrastructure” I do not only refer to “public transportation” but more generally to all the infrastructure involved in the mobility of the inhabitants – including roads.

system is managed and how new transport infrastructures are delivered (C).¹ These three outputs – housing, commercial real-estate and transport - relate to three key components of land-use,² namely the way in which urban space is more or less transformed for the development of socioeconomic and urban activities. I generally refer to their comparative delivery as the “planning” system of both metropolitan regions, which designates the various regulations and interrelations of public and private actors leading to the nature and degree of delivery of the three urban outputs. In this perspective, “planning” works as an independent variable directly linked to the intermediate variable by which I will eventually conclude on a comparative broader assessment of urban governance in the two cities, through an assessment of their joint and cumulative effects on the functioning of the city-region as a socioeconomic system.

Methodology of Chapter 3: intermediate variables as empirical proxies for dependent variables and urban outputs of both planning systems



This general comparative assessment of urban governance, based on the comparison of both planning systems and on the developmental schemes and narratives that they both rely on, eventually leads us to formulate the hypothesis that the unequal “economic governance” of these cities plays an important role in their respective dynamics, mainly through the reproduction of different narratives on urban development. A hypothesis then explored in the last two Chapters of the thesis.

¹ Just like for housing and commercial real estate, caution needs to be exercised when it comes to linking socioeconomic dynamics and urban outputs. Accessibility for instance does not necessarily entail mobility – the fact of being physically able to commute from an area of residence to an employment polarity does not mechanically imply the matching of labour supply and demand. Other issues have to be taken into account (such as skills or various other forms of self-censorship).

² Beyond residential, commercial and transportation functions, land can be affected to other purposes such as public or semi-public uses, as well as public offices.

A - An institutional mapping of Paris and London

As a way of beginning, I will first present a synthetic picture or “organizational map” of the main institutions involved in the management and development of each capital city. The idea is to provide a comparative view of the main actors: their number, their respective more or less well-defined responsibilities as well as the scales at which they operate, as compared to the scales from Chapters 1 and 2.

1) Institutional fragmentation and prominent presence of the central government: the Paris scheme

The institutional fragmentation of the Paris region

The map of the Paris “aire urbaine” by INSEE given in the Appendix (p.109) both represents the extent of the Paris agglomeration and functional urban region¹ and some institutional boundaries. The first striking element relates the fragmentation of the communes, the most local institution of the French administrative system. France today contains a little less than 35,000 communes and the Région Ile-de-France almost 1,300 communes. This fragmentation is unique in Europe. As shown in the Appendix (p.110) most other countries have drastically reduced the number of local authorities during the second half of the 20th century. Such process never occurred in France. The already extremely high number of communes in 1950 (38,800) only had decreased by 5% in 2013 (36,700).² It has recently decreased because of an ongoing merging process but still remained uniquely high. Moreover,

¹ As shown in Chapter 1 the definition of the FUR slightly differs from the French « aire urbaine », even though both are based on commuting patterns. Yet each definition provides very similar results for the Paris region.

² The reasons for this strong resistance to the merging of communes would be a very interesting field for historical and sociopolitical research. This next Chapter provides some perspective on this issue, notably the very late urbanization process and low Industrial Revolution. As if France was secularly a rural country with small-land owners and a sociopolitical life shaped by small villages themselves organized around a church. The Third Republic (1870-1940) reinforced this trend by aiming at anchoring the new institutions in a then still conservative and royalist country through the figure of the mayor and compulsory elementary public school. The figure of the mayor today remains very strong amongst the French population, with the highest participation rates in the elections along with the presidential one.

since the first acts of administrative decentralization, these communes have important powers in terms of urban planning. As developed in the second part of this Chapter, the French Plans Locaux d'Urbanisme (PLU), which are prescriptive,¹ are conceived at communal level, despite successive and ongoing attempts to coordinate them a larger scales. The delivery of building permits constitutes in this respect a very important tool for French mayors. Overall the communes have many powers over local matters.

At the hyper-centre appears the City of Paris, which houses 2.1 million inhabitants in only 105 km². Paris is an outlier among French cities in terms of its institutional powers and responsibilities, having been deprived of many such powers for centuries, and those powers instead reserved for the central State. Thus the election of a mayor for the central city only dates from 1977, Paris having been excluded from the 1884 law stating and structuring the status of the French communes under the Third Republic. Paradoxically, however, Paris has a very dense and older administration,² developed during the first half of the 20th century under the Seine district. It today accounts for more than 50,000 employees and its budget is greater than 10 billion euros. It had long been both a commune and a *département* but both statuses were merged in 2017, providing the City of Paris with a status of specific local authority, combining the prerogative of both layers. Its institutional system is also specific since it accounts for 20 *arrondissements*, each of which has his own mayor, though their powers are limited to the management of population records and issuance of documents, as well as local consultation.³

Around the City of Paris then appear seven *départements*. The smallest ones circling it – Hauts-de-Seine (92), Seine-Saint-Denis (93) and Val-de-Marne (94) - form as previously mentioned the “*petite couronne*”. Around them appear the four *départements* of the “*grande couronne*”: Seine-et-Marne (77), Yvelines (78), Essonne (91) and Val-de-Marne (95). This fragmented geography is the result of the 1964 splitting of the two Districts of Seine and Seine-

¹ Meaning that every project must be in conformity with the prescriptions of the PLU. Otherwise the plan must be changed and therefore re-voted by the municipal assembly. The British system is conversely based on a discretionary and negotiated approach.

² Let us recall that the City of Paris has its own status of civil servants, along with the local, central and hospital one, and manages their selection itself.

³ This specific status is shared with the municipalities of Lyon and Marseille since the 1983 PLM law.

et-Oise.¹ The successive decentralization acts² provided the Département with mostly health and social prerogatives (as well as the management of the *collèges*), but they also still play a role in territorial development, especially in the Paris region, despite the fact that recent reforms have highly restrained them to their core domains.

The Région Ile-de-France then encompasses the City of Paris and the 7 départements. It thus approaches rather well the scale of the Paris FUR, that overcomes its administrative boundaries northwards in Oise as seen in Chapter 1.³ The first decentralization Act transformed the existing regions in autonomous local authorities, along with the départements and the communes, providing it with prerogatives in terms of higher-education (which includes the management of high schools), economic development and transport. The Région Ile-de-France accounts for 10,400 employees (to be put in perspective with the 50,000 of the City of Paris), but including 8,500 operational agents in high schools, which in fact leaves only 1,900 agents for the other prerogatives mentioned. Its annual budget is 5 billion euros.

This three-layer fragmentation – colloquially known as the French territorial “mille-feuille” – must be understood in relation to the attribution of different powers and responsibilities. The first decentralization act (1982-1983) was built on the idea that the three layers were to be given specific and separated roles and functions. Hence the notion of “blocks” of prerogatives (*blocs de compétences*): “preparation de l’avenir” for the regions (covering high schools, higher-education, economic development and interurban transport), “social” for the département and “proximity” for the communes. But at the same time a “clause of general prerogative” (*clause de compétence générale*) is given to each layer: namely the possibility of getting involved in any other issues beyond its “block of prerogative”. Which creates frequent overlaps and cross-financing, and renders the overall system fragmented and opaque. The third decentralization act (2013-2015) ended this clause for the département and the region: the first one was much weakened and strictly limited to its social and health bureaucracies ; the second

¹ At a time when the London government on the contrary becomes more integrated with the expansion of the London County Council and the creation of the Greater London Council in 1965.

² One generally refers to three Acts of decentralization : Act 1 in the early 1980s, Act 2 in 2004 and Act 3 with four laws between 2013 and 2015 under the Presidency of François Hollande.

³ This is in fact an exception in France. No other French régions, in their old as well as new bigger merged version, have boundaries that are somehow consistent with any functional intra- or inter-urban system.

gained new ones while also becoming theoretically limited to them. But the division of roles between all layers is far from being optimal, and the overall system remains highly inefficient.

Moreover the *syndicats intercommunaux* (inter-communal groups) for urban utilities (*syndicats intercommunaux de services urbains*) are also important and dense structures in financial, technical and human resource terms. Their creation in the late 19th century and especially the first half of the 20th century for dealing with urban utilities – water, waste or electricity - was required by the urbanization of the Paris agglomeration. They became the first form of inter-communale cooperation, through structures based on voluntary membership in exchange for a subsidy. In the Paris region, given the size of the agglomeration, they are especially large and dense organizations dealing with high-value procurement contracts. The largest ones are the Sedif for water supply, the Siaap for water treatment, the Sipperec for electricity distribution or the Sycatom for domestic waste management. The map in the Appendix (p.111) shows that they developed at the scale of the central core, on dense urban zones for economies-of-scale purposes, and that their geography is therefore closer to the former Département de la Seine than to the new administrative geography.

This institutional fragmentation is reinforced by the *intercommunalités*. As already seen the fragmentation of the communes is very specific to France, and the failure - or the lack of political will - for merging communes led to the development of new tools for structuring communal action at a larger level when (and often) necessary. The 1992 ATR law¹ and especially the 1999 Chevènement law² structured the institutional gatherings of communes. Instead of merging them, an upper-lawyer is created for managing specific issues but larger ones than in the case of the *syndicat intercommunaux* (a form of federative *intercommunalité* instead of an associative *intercommunalité*). With sometimes positive effects of managing specific issues at a more relevant scale than the municipal one. And sometimes negative effects when creating overlaps – with parallel recruitments instead of mutualizations - or competitions between both municipal and *intercommunalité* ones. Several statuses are created and then

¹ The 1992 law on the Administration Territoriale de la République (ATR) created *Communauté de Communes*, the first layer of contemporary *intercommunalités*. More information on the 1992 ATR law can be found in the following [link](#).

² The 1999 Chevènement law on the reinforcement and simplification of intercommunal cooperation has supplemented the 1992 ATR law and structured three different layers of *intercommunalités*. More information can be found in the following [link](#).

reformed for favouring these kind of gatherings of communes. They are qualified as Etablissements Publics de Coopération Intgercommunale (EPCI).¹

The first history of the development of the intercommunalité in Ile-de-France is specific. Nationwide its development since the Chevènement law in 1999 was important and quite continuous. At that time such gatherings were made on a voluntary basis. Throughout the 2000s and the first half of the 2010s it developed quite well, tending to replace the traditional and more specialized version of the syndicats intercommunaux. Except in the Paris region. In the grande couronne, mostly suburban and rural, the rise of intercommunalités followed a somehow same trend than in the rest of France.² In the petite couronne the development of the intercommunalité was extremely limited during the 2000s.³ There are two reasons for that. The first one, highly related in Chapter 4, is that is these municipalities around Paris have developed strong political identities under the Seine district, often against the central capital, and have for most of them since then become dense and resourceful enough to meet the needs of their populations. The second one is linked to the survival of the large syndicats intercommunaux previously mentioned, which remain very powerful and already manage most urban utilities that are part of the purpose of the EPCI. This while metropolitan transport, as more developed in the third section of the Chapter, is a regional prerogative despite a persistent role of State bodies. All of this seems to point at a structural unsuitability of the intercommunalité to the Paris petite couronne, which nonetheless remains very fragmented. This voluntarist return of the central government in the strategic planning of the region in 2007 onwards through the “Grand Paris” agenda, which is described in the third section through the comparative case study on transport projects, has in this context generated a fear towards mayors of the petite couronne.

¹ Different layers exist today, from the Communauté de Commune – the least integrated one – to the Métropole, through the Communauté d’agglomération and the Communauté urbaine, with everytime an increasing minimal level of population and the adding of mutualized prerogatives. The more integrated is the intercommunalité the higher the State endowments are – as a incentive for the communes to gather and share their resources in these larger groups.

² With the notable exception of the Yvelines, where an array of mayors were especially reluctant to mutualize part of their power and resources in an upper-lower. This is probably a sociological effect since these upper-class suburban territories and inhabitants less rely on public services for answering their needs and/or especially reluctant to local tax increases ; while the mayors are less in need of State incentives for their every-day managment.

³ The exception here is Plaine Commune, a large Communauté d’agglomération created in 2000 around the municipality of Saint-Denis, at the impulse of Patrick Braouezec. It followed the dynamics of the settling of the Stade de France in Saint-Denis in the second half of the 1990s, which had a catalyst effect generating economic and urban development at a larger scale.

They were frightened of being forcibly absorbed in larger institutions such as the City of Paris in the form a new “Haussmann scenario”.¹ This led some of them to accelerate the creation of large intercommunalités – more than 300,000 inhabitants - in the petite couronne, following the Plaine Commune scheme: Est Ensemble (around Romainville, Pantin, Montreuil of Bagnolet) and Grand Paris Seine Ouest (around Issy-les-Moulineaux). Which in many respects were defensive political constructions rather than territorially optimal institutions.

In the early 2010s this trend nourished the reflection regarding the institutional evolution of the capital region. Some such as the geographer Daniel Behar were defending a scenario qualified as the “marguerite scheme”, arguing that the ongoing institutional development was one of a polycentric scenario with additional centralities developing around Paris through large EPCI. All this bottom-up movement from local authorities was to be favoured and not limited. Conversely others were in favour of a centralist simplification scenario originally based on a comparison with London. This was first defended in the parliamentary report by the senator of Seine-Saint-Denis Philippe Dallier in April 2008. Through a comparison between the governance schemes of some European cities it argued that the more efficient scheme was the one of the British capital and its Greater London Authority (Dallier, 2008). It translated it in a proposition of merging the City of Paris and the three départements of the petite couronne to form a “Grand Paris”. This idea was then suggested in a 2009 parliamentary report by the former Prime Minister Edouard Balladur for reforming the French administrative decentralization.

During the administration of François Hollande (2012-2017) the third decentralization act eventually addressed this issue. On a larger level it changed the policy on intercommunalités to make it compulsory – under the authority of prefects – for communes to become part of a larger body. In the Paris case this led to the creation of the Métropole du Grand Paris (MGP) on January 1st, 2016, and the completion of the EPCI map in the grande couronne (see Appendix p.112-113). A “Métropole” in an institutional sense, as the fourth more integrated lawyer of the intercommunalité. Given that an intercommunalité cannot overlap another, the former EPCI in petite couronne are transformed in Etablissements Publics Territoriaux (EPT), a new and still rather vague juridical object with no fiscal and political autonomy. The three larger EPCI – Plaine Commune, Est Ensemble and Grand Paris Seine Ouest – are transformed in EPT while

¹ As related in Chapter 4, this refers to the 1860 absorption of peripheral communes by the then City of Paris, to reach its actual boundaries and its 20 arrondissements.

the others local authorities - either small EPCI or isolated communes – are authoritarily regrouped in EPT. For a total of 12 EPT between 300,000 and 500,000 inhabitants, with the notable exception of the unchanged City of Paris – formally an EPT - that still gathers 2.1 million people. In original version of the 2014 MAPTAM law the EPT were supposed to simply be a deconcentrated scale of the larger MGP, a trend that was waned in the 2015 NOTRe law.¹ Even though on the surface it resembles a copy of the London system with a metropolitan authority on the central dense zone of the agglomeration, it has nothing to do with it as explained further on. This creation was also favoured by the lobbying action of Gérard Colomb, the Mayor of Lyon, who was supporting the idea that the governance of Lyon – with a Métropole du Grand Lyon absorbing the prerogatives of the Département du Rhône to form a more integrated metropolitan authority - was an example for the Paris region. Hence the creation of such intercommunalité with the more or less explicit claim of then absorbing the three départements of the petite couronne.² Such comparison does not make much sense since the Paris region is way larger and around ten times more populated than the other French regional metropolises, with an incomparable economic weight and thus very specific issues that at no point can be met through a nationally uniformed institutional system. Last for not least the MGP, which theoretically has prerogatives in many metropolitan issues such as economic development, housing, planning or environment, at the exception of transport, only covers the central dense part of the agglomeration (6.8 millions people). Whereas as largely developed before the Paris

¹ This can only be understood by a political analysis in the smallest sense of the term. The final driving motor of the original creation of the MGP was a political calculation by a prominent political figure from the Socialist party who aimed at including in the ongoing territorial reform a dedicated structure for the Grand Paris, that was supposed to be structurally left-wing. Namely because the Hauts-de-Seine, which shelters important fiscal resources with La Défense, is mostly right-wing, while the City of Paris turned left-wing in 2001 onwards and that the Seine-Saint-Denis and Val-de-Marne are historically left-wing, as the former industrial and working-class areas of the Paris region. Hence that logically such MGP would guarantee a left-wing majority and allow it to get its hand on the fiscal resources of the Hauts-de-Seine. A calculation that proved wrong with the 2014 municipal election in which the large victory of Les Républicains was guaranteeing a right-wing President. Leading the left-wing central government in the following 2015 LOTRe law to considerably weaken the future MGP. Hence that this institution is today a rather « empty » body with very few political or operational powers.

² This political projection explains why the Mayor of Paris in 2017 – in the same act that aimed at merging the first four arrondissements - somehow absorbed its own prerogatives as a département. So that such merging of the départements in a single MGP would not apply to the central City. Which overall shows the total absence of coherence on behalf of the central government : on the one hand aiming at integrating resources of the scale of the MGP ; on the other not intervening in such a defensive move by the City of Paris. It also explains the will for the Hauts-de-Seine to merge with the Yvelines, as way of surviving such merging by creating a new department mostly outside the MGP boundaries.

FUR, which represents the scale to which daily socioeconomic interrelations occur, is way larger (see Appendix p.114)

Thus this institutional mapping of the Paris region highlights the very fragmented nature of its administration,¹ which has probably never reached such level with five administrative layers: communes, EPT, départements, Métropole du Grand Paris Paris, Région Ile-de-France. The EPT are today struggling for not having their economic resources – the two main business taxes of CVAE and CFE – taken by the MGP. Shortly after his election in 2017 as President de la République, Emmanuel Macron announced that he would be launching an institutional reform aiming at simplifying the whole system. With one notable choice to make between a Greater Paris metropolitan authority at the MGP scale of the petite couronne, or instead at a regional one. Which of course does not encompass the whole institutional debate. These decisions have been postponed several times and no longer seem a political priority. At a time where the institutional system of the Paris region has never been more fragmented, opaque and technocratic, and where the last ten years demonstrated the incapacity of this system to produce real decentralization based on collective action and adapted to the most specific territory of Metropolitan France.

The remaining prominent presence of the central government

This necessarily complex and fragmented institutional mapping of the Paris region must simply be supplemented by a mention of the remaining prominent place of the central government. Paris is the capital region, and its essence is therefore to bring together the main political functions of the country, especially in the case of a nation-State with a secular centralization and State consolidation process (tackled in Chapter 4). Quite logically the Ile-de-France shelters the main functions of the central government – Palais de l’Elysée, Hôtel Matignon, or other Ministries – as well as national representation – Assemblée Nationale, Sénat – and other important bodies of the Republic – Conseil d’Etat, Conseil constitutionnel and so on.

¹ Other bodies could be mentioned, such as the Forum Métropolitain du Grand Paris (former Paris Métropole), a « syndicat mixte d’études » acting as a forum for elected officials of local authorities of all Ile-de-France. Or the Atelier International du Grand Paris (AIGP), which gathers major architects that implement prospective reflections on the evolution of the Paris region since 2008. Neither of them have any major influence.

Yet the prominent presence in the Paris region is not limited to this statement. In the rest of the Paris region, the 40-year administrative decentralization process has applied such as nationwide, despite specific problems stemming from its unique economic and urban density. But because of the strategic nature of the capital region, the central government always aimed at keeping a hand on specific key locations through dedicated State bodies. Voluntarist Post-War planning policies mentioned in Chapter 2 were also specifically applied to the Paris region with the creation in the 1960s onwards of five new towns (*villes nouvelles*) and a dedicated suburban transport network. They were carried out by the central government through specific powerful planning bodies that for some of them have survived. The Agence Foncière et Technique de la Région Parisienne (AFTRP), specifically created in 1962 for voluntarily acquiring strategic land for planning purposes, still exist. It has become in 2015 Grand Paris Aménagement, a powerful public State body involved in major planning operations across the Paris region. Thanks to the delimitation in 1965 of 40,000 hectares of land of “zones d’aménagement différencié”, the creation of the five new towns - Cergy-Pontoise, Saint-Quentin-en-Yvelines, Evry, Melun-Sénart (today Sénart) and Marne-la-Valée, was made under the juridical regime of the Opération d’Intérêt National (OIN), so that the central government has a total grasp in terms of urban planning.¹ Each of these projects was carried out by a dedicated State planning body, an Etablissement Public d’Aménagement (EPA), through the exercise of a « droit de préemption ». After an important demographic growth in the 1960s these five new towns kept developing but at a slower rhythm in the 1970s onwards. Their overall 40-year dynamics reveals various successes,² explaining the remaining presence of the EPA Marne-EPA France (east of the Paris region) and the EPA Sénart (south-east of the Paris region). Eventually the development of the business centre of La Défense led to the creation of the

¹ Not to mention very important State investments throughout the 1960s and 1970s in the road network and the delivery of the Boulevard Périphérique in 1973.

² Saint-Quentin-en-Yvelines was an economic success with the arrival of major corporate headquarters and R&D centres, but not an urban one since it does not succeed in residentializing its working population because of its weakly attractive urban environment and its low-level of amenities. Hence that 75% of executives therein working do not live there. As for Cergy-Pontoise it has experienced a rather continuous urban growth and displays a balance between population and employment, and must then work on integration its different spaces and functions that were developed according to a functionalist architectural model. The three others appear as way more problematic, especially Sénart and Marne-la-Vallée which were never transferred to common right and are still managed by the EPA. This epitomises a form a territorial perfusion and lack of developmental autonomy.

EPAD (Etablissement Public d'Aménagement de La Défense) in 1958.¹ This public body still exists and has merged with the adjoining other of Nanterre to become EPADESA and today Paris La Défense – covering a whole east-west territory between two branches of the Seine (between Neuilly-sur Seine eastwards to the western part of Nanterre).

Apart from this legacy of State-driven planning, new EPA were created in the 1990s and 2000s, more clearly here for keeping a grasp on some areas of the Paris region despite the new and ongoing administrative decentralization. The 2011 map by the Atelier International du Grand Paris (see Appendix p.115) illustrates it. One can for instance see the EPA du Mantois Seine-Aval (EPAMSA) westwards along the Seine, created in 1996, for trying to develop a heavily disindustrialized territory that had sheltered many industries during the Trente Glorieuses and notably car industries. Then southwards appear the EPA Orly-Rungis-Seine-Amont (EPAORSA) created in 2007 for carrying out the OIN of Orly-Seine-Amont. The vast space from Saint-Denis to Roissy-Charles-de-Gaulle relates to the former EPA Plaine de France, created in 2002 for implementing ambitious planing operations in this sometimes called « airport corridor » of the region, gathering an important economic development around Saint-Denis and some other drivers like Le Bourget and Roissy, but also much deprived urban areas, amongst the poorest ones of the metropolis. It was merged in 2015 with the ATRP to become Grand Paris Aménagement, which now operates at a wider regional scale. Eventually two more recent and important bodies must be mentioned, even though they are further analyzed in the third part of this Chapter on the Grand Paris project : the Société du Grand Paris, a State public body in charge of delivering the transport infrastructure of the Grand Paris Express, and the EPA Paris-Saclay, in charge of developing a « cluster » on the Plateau de Saclay. Both were created by the first Grand Paris law of June 5th, 2010.

Thus the French system and more specifically the Paris region is both extremely fragmented and still highly centralized. The very high number of communes with important local powers, the existence of three layers of local authorities - four when including the intercommunalités as an additional one, and five for the Paris region with the Métropole du Grand Paris -, the overlapping of authorities and respective roles, is supplemented by a persistent presence of the central government in the management and development of the capital

¹ As mentioned later on the development of La Défense in the 1960s onwards was State-driven. Unlike the one of Canary Wharf in the 1980s which undoubtedly benefitted from some impulse role by the Thatcherian central government but was largely carried out by the private sector.

region. Even though the effective intervening power of such bodies – and tools as the OIN - cannot be compared with the 1960s – when the State was extremely powerful and no administrative decentralization had been launched – they remain important and add a administrative and political complexity to the whole system.

2) An integrated two-layer system based on public-private partnerships: the London scheme

The mapping of institutional London begins with a two-layer formal institutional structure, but which is overlain by multiple and evolving public-private-partnership structures. The most important ones are presented here, before a more comprehensive view is given through comparative case studies : transport infrastructure in the third part of this Chapter and business associations in Chapter 5.

A two-lawyer institutional scheme with a weak strategic metropolitan authority

The United Kingdom is historically a country built on local government, with a single-lawyer of local authorities gathering many prerogatives and enjoying financial and political autonomy. Each with a specific history and thus various statuses - parishes, boroughs, districts and so on – and no such thing as attempts from the central government to implement – whether with deconcentration or decentralization objectives – a nationally harmonized administrative system. At the London core level, as defined before, 33 local authorities appear.(see Appendix p.116) : 32 boroughs and the City of London. The boroughs – the result of a merging process occurring in the second half of the 19th century - have numerous prerogatives, cumulating ones of districts and counties, in terms of housing, social services, public street maintenance, education, civil state or domestic waste management. But with a very limited fiscal and budget autonomy as described further on.

In the historical urban and economic centre of London¹ – the Square Mile – the City Corporation of London has a very unique administrative and political status, that has not

¹ It was the location of the Roman city of Londinium, Guildhall lying on the ruins of a Roman amphitheatre.

changed since the 11th century. Chapter 4 deeply analyses the structuring role of the City in the long-term history of London as well as Britain. The City Corporation is a private body that manages the public services of the City and its resident and visitors. It has prerogatives in terms of transport, street maintenance and cleaning, manages the licences of the restaurants and even has its own « City of London Police » that operates in its very local boundaries. It today only shelters 8,000 inhabitants,¹ mostly located close to the Barbican Centre. The Corporation has 3,000 employees, mostly but not exclusively in Guildhall. Its resources come from three funds. The first one is a public fund used for covering all the public services delivered by the City Corporation. The second one is a private fund coming from the important revenues of land-ownership. These revenues are used for the representation and lobbying of the private companies of the City. The third one is named Bridge House Estate and stems from the ownership of five historical and important bridges of London. These resources are used to cover the non-profit actions of the City Corporation. Overall it is essential to understand that the City Corporation has a long-term financial and political autonomy, and has historically developed properties and initiatives far beyond its sole administrative boundaries. Even though its Lord-Mayor, elected by local business leaders, essentially works as a ceremonial ambassador of the organization, preserving its history and tradition, the leaders of the institution have easy access to political or business elites nationwide. Its political system further described in Chapter 4 and 5 needs to be understood as a political institutionalization of local economic interests – historically guilds and corporations – which is epitomized by the traditional figures of aldermen.

At this scale of the core - 32 boroughs and the City – London has had a metropolitan authority in 1965 onwards. Since 1855 its central core – today named Inner London – was administered by a two-layer system composed on the one hand of the City Corporation of London and boroughs, and on the other the Metropolitan Board of Works (1855-1888) then replaced by the London County Council (LCC). These two historical structures were essentially operational bodies aiming at responding to the growing needs for urban utilities and infrastructure induced by the mass-urbanization of the British capital during the Industrial Revolution : sewer systems, roads, bridges, quays or green spaces (INET 2015). The LCC then had important operational prerogatives and was even in 1930 the largest employer of London

¹ It used to be the main residential location of the British bourgeoisie and aristocracy of the capital. After the Great Fire of 1666 the City was rebuilt mostly in stone and its former residents relocated in the newly developing wealthy residential area of West End. Hence that today it largely accounts for more companies than residents.

with 85,000 employees. The administrative boundaries of London had then been expanded in the mid-1960s with the creation of the Greater London Council (LCC) in 1965. The number of boroughs included in the administrative boundaries of London then reached 32 with the absorption of new peripheral local authorities transformed in new London boroughs – the coloured boroughs on the map in the Appendix (p.116) that form « Outer London ». Beyond the idea of expanding the London boundaries until the Green Belt this extension relates to a political strategy : the then Conservative government intended to dilute the labour-vote that was especially important in the Eastern part of London – with the historical activities of the docks and the mainly working-class population – through the addition of new less-dense territories with mostly individual homes - and a supposedly more conservative sociology.

While its creation was meant to clarify the division of prerogatives between the boroughs, the GLC was the object of important internal and external political tensions, rarely finding its right place between local and national interests. Whereas Ken Livingstone, elected at the head the GLC in 1981, was using it at a laboratory for social policies from the Labour Party – such as the decrease of public transport costs or support to various local associations – the programme of the Conservative campaign in 1983 supported the abolishment of metropolitan councillors and especially the GLC. Which was carried out in 1986 by Margaret Thatcher mainly because of a personal rivalry with Ken Livingstone (Kleinman, 1999, p. 151). The then justifications related to an inefficient bureaucracy, a weakly democratic authority and the idea that a metropolitan authority did not respond to a local need and could easily become rival and/or redundant with the action of the central government.

For fourteen years (1986-2000) London was then not administered by any metropolitan authority, but rather by 33 local authorities attempting to coordinate within a London Planning Advisory Committee (LPAC), under the supervision of the State-deconcentrated Governing Office for London (GOL). The idea of recreating a metropolitan governing body largely came in the 1990s from the business world through business associations such as London First, the London Chamber of Commerce and Industry (LCCI) or the Confederation of Business Industry (CBI) of London (Kleinman, 1999, pp. 163–165). These associations and their role are more precisely analysed in Chapter 5.¹ They notably feared that the political « emptiness » at

¹ London First is mentioned at this stage because its role is described in the third part of the Chapter with the case of Crossrail. Created in 1992 by London business leaders to structure their interests and interact with local and national elected officials, and progressively joined by some elected officials from boroughs, it today represents many big global firms of London. Its role consists in promoting the London

metropolitan level could affect the global attractiveness of London, while the then pattern of local governance was described as highly fragmented and in many respects “messy” (Newman & Thornley, 1997; Thornley, 1998). Their lobbying towards the Labour Party eventually leads to the publication in 1996 of the manifesto *A Voice for London*, in which - in conformity with the main recommendations from these business associations – the creation of a new metropolitan authority is mentioned. But a purely strategic one without any operational prerogatives. The idea of a Mayor directly elected by universal suffrage and thus enjoying a strong symbolic weight for embodying the city is accepted by the Labour Party (Kleinman, 1999). The 1997 victory of the Labour Party then leads to the recreation of a new metropolitan structure for London. All along these fourteen years, beyond the interesting role played by business, there was thus an important consensus, necessary to the understanding of the actual London system, to not recreate a similar institution as the former Greater London Council.¹ Instead a simple soft-structure for strategic coordination, but with a strong incarnation through the figure of the Mayor – the « voice for London » - supported by an unquestionable democratic legitimacy. Eventually, just like it did throughout the 19th and 20th century, the City of London Corporation especially lobbied to limit the devolution of power and fiscal autonomy to this new authority (Travers, 2002).

The Greater London Authority (GLA) is thus created in 1999 on the same administrative boundaries as the former GLC. It is a bicephal political organization with the Mayor on the one hand, elected for four years, and the London Assembly on the other. The first elected Mayor in 2000 was Ken Livingstone (see the others in the Appendix p.116).² The London Assembly is made of 25 members, including 14 elected at universal suffrage by boroughs and 11 proportionally. It is not strictly speaking a counter-power. It can amend the budget of the Mayor

capital abroad and especially to bring economic actors into the decision-making process in terms of metropolitan management and development.

¹ As described by Mark Kleinman, “*in the period after abolition, a degree of mythology grew up around the now absent Greater London Council. Its abolition was blamed for variety of urban ills, including deteriorating quality of life, poorer public services, increased homelessness and growing inequality. In reality, the GLC had virtually no direct service functions left by 1986; its housing stock had been transferred to the boroughs in the 1970s and early 1980s, partly in response to a poor record in housing management; and rising inequality in London, though real, was largely due to the impact of national economic and policy changes rather than factors specific to a supposed global city status*” (Kleinman, 1999, p. 152)

² When Ken Livingstone was elected Mayor of London in 2000 in the Greater London Authority, he ironically started his inaugural speech as follows : « *As I was saying before I was so rudely interrupted fourteen years ago* ».

with a two-tier majority, which has so far never occurred. It has investigative authority over the mayor. For the rest it essentially produces reports and inquiries, and invites the Mayor once a month for a Q&A public session. As previously said the GLA has essentially strategic rather than operational powers. Even though its budget today reaches 17 billion euros (INET 2015) the funds actually available to the Mayor are around 2 billion euros. The rest mostly goes to dedicated agencies by which some operational prerogatives outside the grasp of boroughs are exercised : transport through Transport for London (TfL) which manages the whole mobility system of the agglomeration (see C) ; police through the Mayor's Office for Policing and Crime (MOPAC) ; fire security through the London Fire and Emergency Planning Authority (LFEPA) ; or « Legacy » of the 2012 Olympics through the London Legacy Development Corporation (LLDC). Beyond embodying the British capital the GLA produces strategic documents setting out general objectives, notably the London Plan which spatially translates other strategic documents – housing, economic development, environment or mobility. As mentioned later on when describing how planning works in London – for housing and commercial real-estate (B) – the purpose of these documents is simply to set out general objectives and slightly spatializing them. Without any prescriptive power.

Eventually, as already mentioned, the GLA only covers the core of the FUR and not the rest of its hinterland. There were some attempts to coordinate the action of local authorities at a larger scale and even the Greater South East (see Appendix p.117) in the form of a forum : the SERPLAN (1970 and 2000). Which no longer exists. Yet no real debate on the expansion of the boundaries of the GLA has been raised these last years. This is because it is mostly considered a metropolitan tool favouring horizontal public-private coordination and not an operational body.¹

¹ In this respect the many interviews made in London confirmed that reforming the boundaries of the GLA – like expanding it to better match the scale of the FUR - is not an issue. This is because the institution itself is primarily one that favours horizontal public-private coordination and not one that directly manages operational prerogatives. Partly inspired in the 2008 report by the senator Philippe Dallier, the creation of the Métropole du Grand Paris (MGP) as a seemingly similar scale was in this respect highly irrelevant. Because it was conceived as a operational body with meant to implement organizational authority, with a political assembly of more than 300 delegates... Instead of analyzing the institutional form of the GLA, the creation of the MGP copied its scale – probably the least relevant element in the London system – to add a additional and dense institutional layer to an already highly fragmented system.

A system based on institutionalized public-private partnerships

Beyond the abolition of the GLA, Thatcherian reforms in the 1980s constituted a major turning-point in the long-term tradition of British local governments, with strong local and political identities on the one hand, and financial autonomy on the other. Overall this evolution consisted in an authoritarian recentralization of some prerogatives and resources from local authorities, the others being transferred to the private sector. Which entailed a drastic limitation of the financial autonomy of subnational governments. The structuring idea was to force them to build public-private partnerships, supposedly more efficient in organizational and financial terms for carrying-out development projects. The central government would then open its own supporting policies to competition, to have local governments compete with one another and build their cases with the private sector – including business associations - for receiving grants and subsidies (Bassett, 1996; Bennett, 1997; Maloney, Jordan, & McLaughlin, 1994). This general scheme is the application to local and urban management of the policies carried-out by the World Bank in the 1960s and 1970s regarding developing States, conditioning its loans to an efficient « governance », mainly to the development of public-private partnerships (Travers & Jones, 1997).

In the UK and in London this was applied in the field of urban development through the creation of Urban Development Corporations (UDC), whose most famous example is the London Docklands Development Corporation (LDDC) involved in the development of Canary Wharf in the 1980s onwards. They are non-governmental public bodies for urban development created by the central government on a specific territory - for embodying its strategic interest - but which are then supposed to operate as a platform for public-private negotiation and contracts between local authorities and business. These UDCs were replicated in the 1990s and 2000s¹ for other areas, such as the whole Thames Estuary with the London Thames Gateway Development (LTGDC), created in 2004 and abolished in 2013. These structures are often labelled « quangos » which stands for « QUasi-Non Governmental Organizations. » They epitomize the fact that urban development in the case of London generally happens through an institutionalized public-private negotiation and partnership.

¹ In this respect, when it comes to the general tools and management of urban planning, the Labour government – Tony Blair and Gordon Brown administrations – in many respects pursued it.

Beyond their devolution acts for Wales and Scotland in 1998, the Labour Party attempted a slight-regionalization between 1997 and 2010 with the creation of nine Regional Development Agencies (see Appendix p.118), including the London Development Agency (LDA), at the scale of the administrative State-deconcentration regions set out by John Major in 1994. They received prerogatives in terms of planning and economic development but their absence of political legitimacy – they were not local authorities – was much criticized. They were largely seen as bureaucratic creations, directly driven by the central government, with an unelected assembly made of people appointed by local authorities, members from the civil society (trade unions or members of the Chambers of Commerce and Industries) and economic actors.

The return to power of the Conservative Party led to their abolition by the Cameron government and the 2011 Localism Act, replacing them with more local and private-led bodies : Local Economic Partnerships (LEP). These are the most recent form of public-private partnerships with a clearer leadership given to business (the map of the 39 LEPs in England in 2013 is available in the Appendix p.119). The London Economic Action Partnership (LEAP) is the declination of these LEPs at the GLA boundary. Overall the London institutions thus cannot be understood without this high porousness between public and private interests at local and metropolitan level. Even a political figure such as Ken Livingstone, considered as being far-left within British politics and nicknamed « Ken the Red » - made permanent deals with London business for his election in 2000 and his two terms as Mayor. Sadiq Khan, following his election in 2016, created a Mayor's Advisory Business Board made of 16 business leaders of London, including the CEO of Citymapper, Lloyd's of London, Bloomberg Europe or McKinsey & Company. All this illustrates a very well-assumed and structured public-private interrelation system.

The whole system is thus based on the need for local actors to structure their interests. In this respect the GLA still permanently struggles for getting more devolution of power and resources from the central government. Which was recently the case. Indeed during the 2010s it employed on average 650 agents. Since 2018 onwards it employs more than 950 because of the devolution of new prerogatives and resources by the government for co-funding housing. This is typical of a bottom-up system in which devolution and resources have to be negotiated with the top. Making the debate on the devolution of more fiscal autonomy and powers for strategic planning to the GLA absolutely central (Gordon & Travers, 2010; Travers, 2013).

To conclude this parallel presentation of the main actors involved in the general governance of the two regions, a general assessment on both French and British administrative systems must be made. As shown by the OECD database on subnational governments in the Appendix (p.120) France and the United Kingdom exhibit absolutely opposite systems regarding OECD countries. A very high institutional fragmentation in France on the one hand, with 3 different subnational-government layers – five in the Ile-de-France - and an extreme municipal fragmentation (1,885 average inhabitants per municipality) ; a very light institutional system with a more limited number of larger local authorities in the UK (107,898 average inhabitants per municipality). Overall, as seen in the Appendix (p.121) the French public sphere is larger than the British one: 1,559 billion dollars against 1,161 for UK in 2016, meaning respectively 23,318 dollars per capita against 17,684, and 56% of GDP against 42. As for subnational governments the expenditures by French local authorities represent 4,607 dollars per capita against 4,283 for their British counterparts. But when related to the general expenditures of the public sphere British local authorities account for 24% against 20% for French local authorities. This means that in the French case, despite administrative decentralization, many public expenditures are still made by the central government and especially by social security bodies. This must help us better understand the ambiguities of the French administrative decentralization described before. Despite its Constitutional nature - France being since 2004 a “decentralized Republic” – it is very incomplete, administrative and in many respects technocratic. As compared to the UK the French local authorities have undoubtedly more financial resources¹ and account for 75% of total public investment. Yet it seems as if the whole French decentralization process has generated higher public spending through a dilution and overlap of powers, actions and prerogatives, since the weight of the central government has never decreased with decentralization. The process thus appears as a regional duplication of the French state in the form of overlapping local layers with no real interaction with one another and with a technocratic distribution of “compétences”.² This

¹ Even though their fiscal autonomy has been reduced during the last ten years, with the 2010 reform of the tax professionnelle and the ongoing one abolishing the tax d’habitation, by which local taxes are increasingly replaced with State grants – allowing better control by the French Treasury if necessary.

² In this respect the French « compétences » (prerogatives) form an array of issues that are never really questioned about whether or not they actually make sense. For instance, it does not seem relevant to distinguish between « transport », « housing » and « economic development » and then deciding which layer to give it to, as if each one of them referred to well-identifiable objects.

scheme reaches a unique level of fragmentation in the Paris region, eventually leaving any high-scale reform or action to the sole hands of the central government through stop-and-go top-down voluntarist policies.

All of this leads to the conclusion that the French system is in many respects highly decentralized but persistently highly centralized. This while as seen in Chapter 2 national redistribution through Welfare policies – social allocations and pensions – as well as the funding of public employment still strongly structures the French spatial system. In other words an administrative decentralization for an overall urban scheme heavily depending on productive resources being systematically re-engineered from the top and then spatially re-allocated. Just like the British system is somehow decentralized in the sense that it largely relies on local public-private interaction as well as on the action of permanently evolving bottom-up interests. But also heavily centralized given the very low fiscal autonomy of local authorities – all the more when considering their large prerogatives -, meaning that any high-scale mobilization of resources is left to the discretion of the central government and must thus be negotiated in a bottom-up approach.

In what follows, I demonstrate how these two institutional maps connect to the metropolitan dynamics identified in Chapter 2, through the mirrored analysis of urban outputs: the delivery of housing and commercial real-estate (B), management of transport, and the delivery of big infrastructure (C). All of this hopefully favours the understanding of how these general institutional schemes concretely move as dynamics systems of interrelations, ultimately forming and maintaining two different developmental schemes and narratives.

B - Production of housing and commercial real-estate

Let us begin with the governance of housing production, which I show has a reciprocal relationship to the demographic dynamics of each metropolitan region, just as the governance of commercial real-estate production has a two-way relationship to their employment dynamics (1). This part then presents the main differences regarding the planning systems of both cities, which, as established further on, are motivated by substantially different narratives on the nature of urban development (2).

1) Housing and commercial real-estate and the shaping of metropolitan growth

Housing supply and population growth

Before looking at housing production, let us first consider some structural differences in the dwelling stock and tenure of both countries and capital metropolitan regions. In 2015 Metropolitan France sheltered a little more than 34 million dwellings against 22.8 million in England in 2011 and approximately 23.9 million in 2017. As seen in the table below both countries are rather similar when it comes to the share of individual homes (respectively 56.4% and 54%), share of social rented (15.9% and 18%) and to a fewer extent share of owner occupied (57.7% and 65%). Regarding this last figure the share of homeowners that used to be structurally higher in England tends to decrease recently, from 70.6% in 2000 to 62.6% in 2017,¹ while slightly increasing in France from 56.1% in 2002 to 57.8% in 2016.² Policies supporting the development of home ownership have been carried out in both countries since the 1950s, with some similarities such as the switching from government support for building homes to “help-to-buy” policies.

Yet in this respect structural differences do remain with regards to the demand-side, namely credit systems and policies. Access to ownership in France is essentially favoured by

¹ See the data provided in the English Housing Survey 2018-2019 by the Department for Communities and Local Government available [here](#).

² See the data provided by INSEE's 2017 *Tableau de l'économie française* available [here](#).

fixed-rate home loans, with a historically short mean duration of the loan around 15 to 20 years, while the British system of home-loans is exclusively based on mortgages (Whitehead & Gausas, 2007), historically granted by building societies and in the 1980s onwards by banks (Whitehead, 2013), with in many cases loan terms superior to 30 years (Bugeja, 2011, p. 46). The 2008 Housing and Economic Recovery Act tended to diminish loan terms for first-time-buyers in the UK, which fell into the 21-25 year category. But it has since then increased again, with a proportion of loans over 30 years reaching 33%, similarly in London in which this proportion tripled since the crisis to reach 31% in 2016, against 9% in 2008 (European Mortgage Federation, 2017, p. 35). From the point of view of a credit institution, access to credit for home-buyers in France is largely based in individual income and solvability, while in the UK it relates to the value of the good and requires lower equity (Bugeja, 2011, p. 47). The British credit system thus opens home-buying to a larger share of the population with lowest-wages and a more unstable situation on the labour-market. With the counterpart of being a more risky and volatile market, as illustrated by unequal shares of active loans that are delinquent or defaulted, and this for each category of loan-to-value bucket (see Appendix p.122): between 2 or 3% in the UK against less than 1% in France. These very technical issues will not be pushed further at this stage. They were nevertheless necessary to mention as structural differences, since they are key to the understanding of housing supply and demand in both cities.

Some general characteristics of housing in France and England, as compared to the core of their capital cities

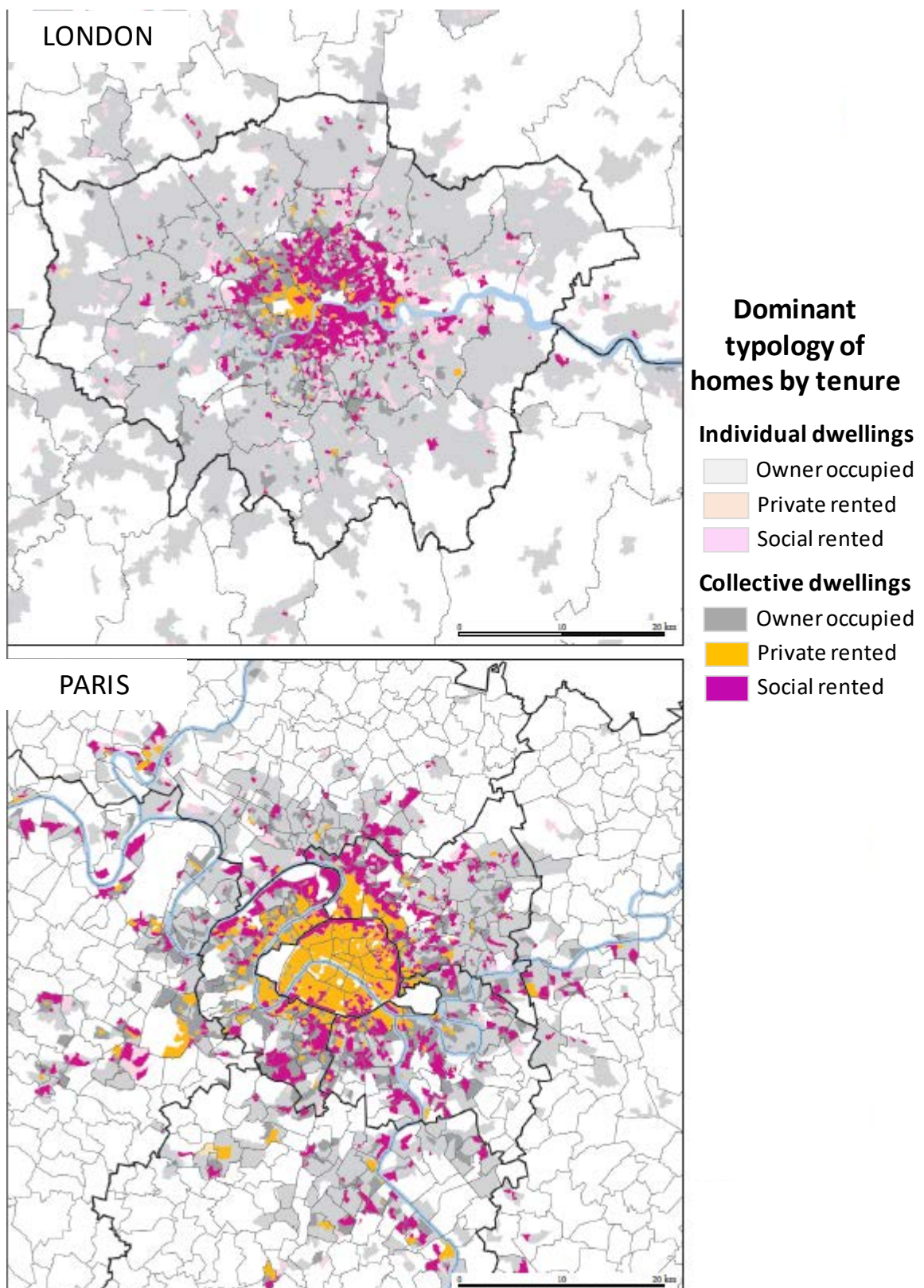
	Share of individual dwellings	Share of owner occupied	Share of social rented
Paris and petite couronne / Equivalent core	12,8%	39,5%	24,0%
Greater London / Equivalent core	48,2%	48,3%	24,1%
Metropolitan France	56,4%	57,7%	15,9%
England	54%	65%	18%

Source: INSEE for France (2013 census) and ONS for England (2011 census) / Data on Paris and London cores comes from Nordine Kirèche's 2018 report (Kirèche, 2018, p. 7). Complementary data has been added from both censuses. Only England is here considered since the computing methodology for some tenures notably the "share of social rent" slightly varies across each UK country.

Now considering the dwelling stock of the two capital regions a main difference appears at the core level. Even though each exhibits a comparable rate of household renting a dwelling labelled “social”¹ (around 24%), Greater London has a way higher share of home owners (48.3%), though smaller than the English average (65%), against only 39.5% in Paris and the petite couronne (57.7% in France). A higher gap appears with the share of individual dwellings: 48.2% for Greater London against only 12.8% in the Paris core, where most dwellings are flats. The two maps in the following page made by APUR with 1999 and 2001 census data clearly display the structural difference in the housing stock of the two metropolitan cores. The City of Paris is very homogenous with a very high proportion of collective private dwellings and some social rented dwellings scattered either along the Paris belt – close to the administrative boundaries – or within formally industrial and working-class suburbs. London clearly exhibits the opposition between wealthy West End area with collective private dwellings and the enlarged formally working-class Centre-East with a visible majority of collective social dwellings.² In both cases, individual social dwellings remain marginal and the rest of the agglomeration is marked by private individual dwellings, with a higher proportion of large social units in the case of Paris (the “grands ensembles”).

¹ The comparison between “social” or “affordable” dwelling stock as well as delivery is extremely tricky, definitions proving to be too different to have a reliable statistical analysis. On top of that, linking the production of such goods to a demographic analysis and specifically interpret it would mean being able to distinguish the specific share of population growth eligible to these goods. Not to mention that social housing policies also rely on specific systems of attribution, with many different categories of goods and classifications of household. Further analysis on these issues in a comparative perspective can be found in the remarkable article by Kathleen Scanlon, Melissa Fernandez Arrigoitia and Christine Whitehead on « Social housing in Europe » (Scanlon, Whitehead, & Arrigoitia Fernandez, 2015).

² As described in Chapter 4 the dominance of collective social dwellings in East End is explained by voluntarist Post-War government-led policies inspired by Welfare State that rebuilt most of these areas destroyed during World War II “Blietzkrieg” by the Luftwaffe.



Source: (Rol-Tanguy and al., 2008, p. 50). This map is based on data from censuses (1999 for France and 2001 for the UK)

These comparative structures of dwellings mirror the two spatial systems highlighted in Chapter 1: a relatively compact Paris and a spread-out London. As seen in the Appendix (p.123), when computing the evolution of the density of population and employment while going further away from the centre, both cities display a different scheme: close to continental Europe for Paris and similar to Tokyo and North-American cities for London. Indeed the centre of Paris is very dense in both employment and population terms but this density quickly falls when reaching 10 kilometres away. Conversely the centre of London is especially dense in employment terms rather than population and the employment falls quickly while the one of population also decreases but in a flatter way, mirroring the more spread-out spatial model as well as the overall predominance of individual dwellings.

Let us now consider how housing supply has evolved in both cities in mirror of their demographic dynamics. In both bases housing delivery (such as the production of any urban output being residential, retail or commercial or mixed) must be allowed by a building permit. Namely an official approval provided by a public body in charge of housing policies on the given location to a contractor for building or modifying an existing property. It is to ensure that the project conforms to an array of standards in terms of land-use but also – depending as on how prescriptive or conversely discretionary planning documents can be - other requirements such as density or other technical norms on the construction itself. At consolidated level building permits thus provide a number of dwellings authorized. But not the number of dwellings actually delivered. This is because in any case some permits can be juridically contested or because of a default on behalf of the developer. But there are additional reasons for that, more specific to each country. France is characterized by the system of the VEFA (« vente en état futur d'achèvement », also referred to as « selling on plan ») which conditions the starting of residential projects to a minimum share of pre-selling. Which considerably weakens the risk of homes sold while never being built, as well as homes built while never being sold – like what sometimes happened in the 1970s and 1980s. This also contributes to creating a discrepancy between homes authorized and homes built. In the UK the VEFA system does not exist, but such gaps also do because, as further described in this section, building permits negotiated by private developers with local authorities can then also be renegotiated, potentially modifying the final projects but then generating a discrepancy between building

permits and home delivery. Therefore the more reliable indicator for mirroring population growth and home delivery relates to starts-on-sites (or « logements commencés »).¹

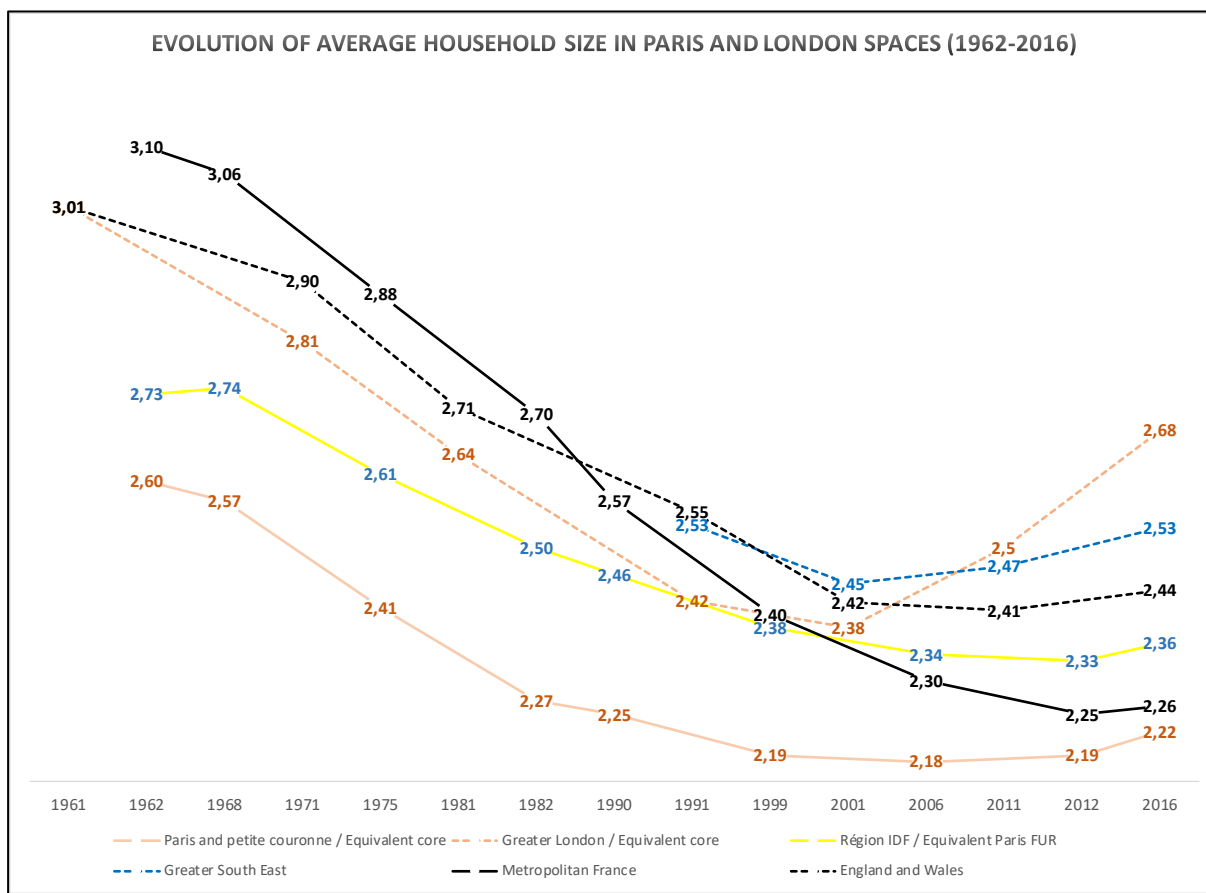
Total number of new dwellings (starts-on-site) compared to additional population
(1991-2015)

	Total additional population (1991-2015)	Total new dwellings (1991-2015)	Ratio additional population / new dwelling (1991-2015)
Paris and petite couronne / Equivalent core	641 524	533 313	1,20
Greater London / Equivalent core	1 868 014	416 890	4,48
Région IDF / Equivalent Paris FUR	1 437 479	1 073 037	1,34
Bassin parisien	2 045 899	2 129 823	0,96
Greater South East	4 207 295	1 499 430	2,81
Metropolitan France	7 723 821	8 184 501	0,94
United Kingdom	7 872 500	4 529 250	1,74

Source: Sit@del (France) and ONS (UK). Population data refers to the same tables as in Chapter 2.

Data on new dwellings are provided for the same statistical units – either NUTS or Local Authority Districts – as the one used in Chapters 1 and 2, on an annual basis, which allows the relation of additional new dwellings to additional population (1991-2015). The detailed tables are given in the Appendix (p.124-126). As we can see ratios of additional population on new dwelling are higher in the British case and all the more in London : 4,48 for Greater London (against 1.2 for the Paris core), 2.81 for the Greater South East (against 1.34 in Ile-de-France and 0.96 in the Bassin parisien) or 1.74 in the United Kingdom (against 0.94 in Metropolitan France). Overall this means, strictly in relative terms and in such middle-run time frame, that Paris somehow built « more than it grew » as compared to London. Again, at no point should this be interpreted as implying that there is no tension in Paris on the housing market or that the metropolis displays an over-supply with numerous empty homes. It seems more relevant to say that these differences are due to the very high demographic dynamism of London that was not met, once again in relative terms, with comparable housing delivery.

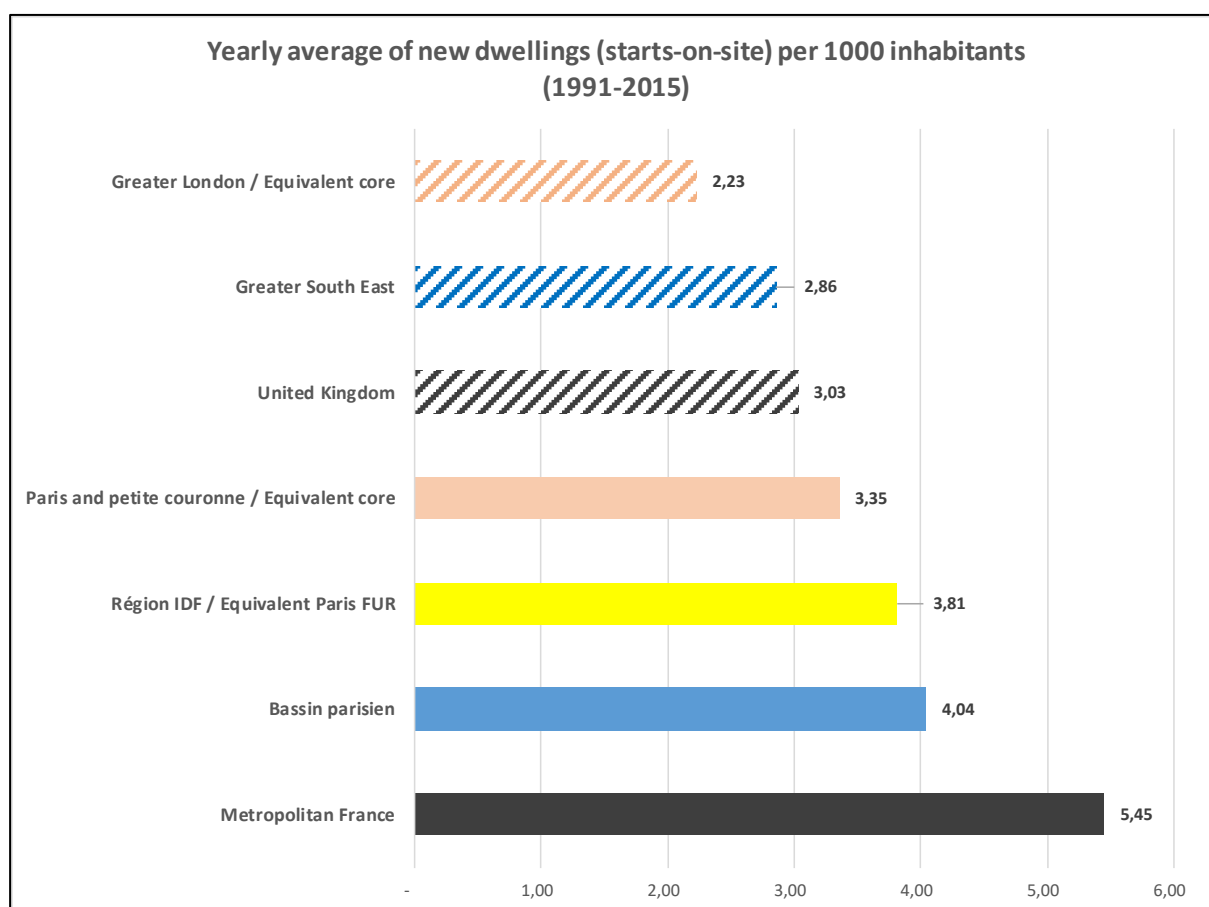
¹ The UK data comes from a consolidation by ONS (see the following [link](#)) while the French comes from the Sit@del database, by the Commissariat général au développement durable (see the whole methodology on the following [link](#)). The ONS computes data on completions but such information do not exist in France.



Source: INSEE (Censuses) and ONS (Censuses for 1961-2011 and regional estimates of total number of households for 2016 / Data older than 1991 was just available for Greater London and England and Wales, which explains why data for the Greater South East only starts in 1991

This empirically shows that the demographic growth of London was not driven by its real-estate market but really by its labour market. What appears as a somewhat discrepancy between both was absorbed by the existing stock, resulting in an increase in the average household size. As seen above on the long-run (1962-2016) both cities and countries had experienced a general decrease of average household size throughout the second half of the 20th century. This related to a sociological evolution of Western societies : increase of the average age of marriage, growing number of decohobitation as well as population ageing. As shown by the graph this average size of households stabilized in the 2000s onwards, being all the smaller in the capital regions, which is consistent with the structure of their age pyramid as previously said – an overrepresentation of people age 20 to 35. Yet the average household size in Greater London, as well as in the Greater South East, grew significantly in the 2000s onwards

to respectively reach 2.68 and 2.53 people, which empirically shows that population growth is not an outcome of housing supply.



National differences do appear in this respect. As seen above (with detailed table in the Appendix p.126), when comparing housing delivery to total population (on a yearly basis), UK built « less » than France : respectively 3.03 dwellings per 1000 inhabitants against 5.45 in France. This ratio is in the Paris core (3.35) even higher than in the UK as a whole. The hypothesis stressed here is that this reflects a greater reliance of the French and Paris governance systems to address developmental issues through the supply-side, namely considering housing as the driver for population growth, rather than housing as a issue induced by urban dynamics – which more resembles what happens in London. In this respect annual estimates of dwelling start-on-sites given by Gérard Lacoste¹ show a quick increase in 2009 onwards – 40,000 starts-on-site - especially since 2014 – from a little less than 60,000 starts-

¹ See this article « La construction dans le Grand Paris : premiers nuages après l’embellie » available in the following [link](#).

on-site to 80,000 in 2017. Which as developed in the third section of this Chapter relates to the State-led voluntarist « Grand Paris » policies.

Commercial real-estate and employment growth

The hypothesis of a more supply-driven Paris and French system can also be explored through the analysis of commercial-real-estate as compared to employment. The idea being that at some point employment dynamics should materialize in a city in the form of an urban output such as population through housing. The overall supply is here expressed in square meters. The stock level for commercial real-estate for the Paris and London regions is provided respectively by the Observatoire Régional de l'Immobilier d'Enterprise (ORIE),¹ and the ONS.² Both databases distinguish between different uses, such as retail, office or industrial. Given the nature of the economic basis of the two metropolitan regions the focus here is on the stock of offices as compared to employment in market services. Indeed other uses of non-domestic floorspace did not reasonably match the statistical categories used in Chapter 2 for employment.³ The only reasonable match was seemingly offices and employment in market services,⁴ even if caution needs to be exercised regarding these results.

The table below shows a higher rate of square meters of offices per employment in market services in Paris than in London : around 14-15m² per employment against 7-8 in both Greater London and the Greater South East.⁵ This could reflect the same trend as for housing, namely the fact that in relative terms the supply of offices is higher in France as compared to employment dynamics. Yet there still might be even more discrepancy regarding offices. It can simply reflect the fact that there is a higher acceptancy of smaller offices in London by workers. At this point it seems quite unreasonable to say much more.

¹ Data on the stock is computed by the ORIE thanks to annual information on starts-on-site given by the DRIEA – the same Sit@del database as for dwellings. Further information on sources and methodology is available at the following [link](#).

² The data is available at the following [link](#).

³ For instance comparing the stock of retail (m²) to a general category that includes « distribution, transport, accomodation and food » does not make much sense.

⁴ Non-market services were not included because most of it relate to education and health, which are not classified in offices – in both databases on floorspace there is a category referring to public use, but they differ too much to be compared.

⁵ Data is not available at national level since the ORIE only covers the Ile-de-France.

Average office m² per worker in market services

Average m ² per employment	2000	2001	2002	2003	2004	2005	2006
Paris and petite couronne / Equivalent core	14	14	14	14	14	14	14
Greater London / Equivalent core	8	8	9	9	9	9	8
Région IDF / Equivalent Paris FUR	14	13	14	14	14	14	14
Greater South East	7	7	7	7	7	7	7
	2007	2008	2009	2010	2011	2012	2013
Paris and petite couronne / Equivalent core	14	15	15	15	15	15	15
Greater London / Equivalent core	8	8	9	8	8	8	8
Région IDF / Equivalent Paris FUR	14	15	15	15	15	15	15
Greater South East	7	7	7	7	7	7	7

Source : ORIE and ONS / Data from Chapter 2 for employment in market services. The detailed table are available in the Appendix (p.127)

Dynamic and harmonized statistics on office delivery are in fact limited to very specific areas, for which brokers provide precise and harmonized regular information (take-up, availability, vacancy rates, investment or prime-yields). The office market is indeed more globalized than the house market,¹ which means that brokers regularly – on a trimestral basis - share and publish economic evidence on office markets in major cities. Yet this information is limited to “Central Paris” (defined as the Paris Central Business District, namely the City of Paris and its direct suburbs such as Neuilly or La Défense) and « Central London » (which includes West End, the City and Canary Wharf). Evidence regarding the office market of Central Paris and Central London can be gathered for 2013-2018 (see Appendix p.128), from the 2019 report by BNP Paribas Real Estate – which corresponds to harmonized data used by most brokers. Given the very fluctuant and financialized nature of this market, it seems quite difficult to link this evidence with our reflection on urban outputs. Overall these data show a structurally larger take-up of office in Central Paris in square meters, as well as a slightly higher vacancy rate, while prime-yields appear way higher in Central London. In other words the more

¹ This explains why direct comparisons of housing prices proved extremely tricky. In both countries many indicators on average prices are produced at different scales for computing housing prices: average rents or average price indexes on existing or new dwellings for instance. Yet direct comparisons had no be abandoned and this for multiple reasons : different currencies (which unlike indicators from Chapter 2 cannot be corrected through specific purchasing-power-parities since they refer to a very particular issue), different tenure struture, different dynamics for new construction (affecting the weight given to indexes on new or existing dwellings), or different statistical methodologies for spatial distribution of nationwide measures. For very precise evidence on average rents in Paris see the [Observatoire des Loyers de l'Agglomération Parisienne](#) (OLAP). For other evidence the INSEE produces at regional or département levels price indexes for both new and existing homes, available at the following [link](#). As for London the evidence base by the GLA for the Mayor's Housing Strategy, available in the following [link](#), provides very detailed information.

dynamic and attractive economy of the British capital quite reflects in a real-estate bubble in Central London with a very high turnover of investors. While Central Paris is indeed an attractive place for international investors but inscribed in a flatter metropolitan economy and thus less pressured market.

Thus data on commercial real estate must be dealt with extreme caution. Yet it could accord the analysis of housing delivery as compared to demographic growth. Still in relative terms urban outputs in Paris are larger than the effective socioeconomic growth of the city. Whereas in London such outputs appear smaller as compared to the observed dynamism of the city. One result and one hypothesis can be set out here. The result is that, as previously mentioned, the drivers for population growth in London were not the real estate market but the labour-market, meaning that housing issues are induced by development and not its source. Whereas the relatively higher housing delivery in Paris does not seem to result in population growth. The hypothesis is that each system of interrelation presented in the first part of this Chapter mirrors different approaches to urban development. The French and Paris system addresses it on the supply-side, implying a belief that the production of the physical urban (the built environment in other words) has a possibly causal relationship to metropolitan population and economic dynamics. The British and London system, on the contrary, is more oriented to stimulating the demand-side, implying a collective belief that physical urban outputs are a response to underlying socio-economic forces, rather than an independent cause of them.

2) Planning systems and the narratives of urban development

Before this hypothesis is more deeply explored through transport systems and infrastructure delivery, this brief section presents the main differences between planning systems in Paris and London. Beyond a literature review, interviews with public authorities and private developers were carried out in both cities and are listed in the Appendix (p.4).

The French planning system is prescriptive. Mayors have very high powers when it comes to urban development through the delivery of building permits. This must be understood in the light of the extreme municipal fragmentation. Through their Plan Local d'Urbanisme (PLU) municipal councils affect portions of land to a specific use – residential, commercial, retail,

green space and so on – and every project needs to conform to the plan.¹ Otherwise a modification of the plan is required – with thus an approval by the municipal council. The authoritarian development of the intercommunalités of recent years was partly motivated by the will for having the PLU but more especially the delivery of housing permits managed at an upper level than very small communes.² With very limited success so far, even though it is an ongoing trend that may eventually succeed. In the Paris region this prerogative is also sometimes implemented by State planning bodies. But in most cases it is carried out by mayors of very small communes.

This mirrors in a fragmented nature of private developers. Apart from some large ones³ a myriad of small developers exist in the Paris region. This is an effect of municipal fragmentation and the extreme decentralization of building permits, making it viable for very small actors to deliver very small projects (5-8 dwellings) and live on a direct proximity with two to three mayors. Even though this fragmentation gets lower when dealing with larger agglomerations,⁴ this French specificity still applies to the Paris region as opposed to London. Hence as well the deeply anchored culture of French private developers to simply respond to a (local) public demand rather than conceiving the whole project. This explains the recent wave of Call for Innovative Urban Projects (Appel à Projets Urbains Innovants), that started in the mid-2010s with Réinventer Paris by the City of Paris, which consists in transforming a basic process of land-selling into an urban and architectural competition with an emphasis on innovation. Overall the idea was to promote what is called an « urbanisme de projets », meaning bringing private developers to more initiative and creativity and overcome the traditional system of simple « commande publique ».

¹ In this respect the Loi d'Orientaiton Foncière (LOF) in 1967 has created numerous tools for urban planning, such as the Coefficient d'Occupation des Sols (COS) which allows a precise management of density in given sites.

² The PLU must be in conformity with plans conceived at upper-levels such as the Schéma Directeur d'Aménagement et d'Urbanisme de la Région Ile-de-France (SDRIF). Yet they are not prescriptive at a same level of details. Moreover, because of the principle of free-administration of local authorities, no upper-layer of local authority can intervene as such in the affairs of the municipality to make it agree on a project. The mayor today remains the decider on the delivery of building-permits.

³ The largest ones – in terms of the average number of homes annually delivered - are Nexity (18,000), Bouygues (15,000) and Altarea-Cogedim (10,000). And at a smaller scale Kauffmann and Broad (5,000), Vinci Immobilier (3,500) and Icade (3,500).

⁴ For instance Nexity, the largest French private developer for housing, owns 12% of the national market and 20% in the Paris region.

The (very specific) British planning system is conversely discretionary and negotiated. The authority in charge of delivering building permits is the borough, or outside the GLA boundaries equivalent local authorities. Each one of them has to conceive a Local Development Framework (LDF) which must be in accordance to the level above it : in our case the London Plan by the GLA and further up the central government's National Planning Policy Framework. But these are not plans in the prescriptive sense described above. The National Planning Policy Framework is a guidance that establishes a general framework for the negotiation between the various actors involved in planning.¹ A key element stems from the 2004 Planning and Compulsory Purchasing Act, whose section 1.06 states that decisions made under the planning act – namely planning applications – should be taken « *in accordance* » with the development plan - which comes from policy - « *unless material consideration indicate otherwise* ». And that « *material consideration* » can theoretically refer to anything. In this respect the British system is a negotiated system.

With regards to housing for instance the Mayor of London establishes a strategic plan – the London Plan, which is a spatial translation of many other sectoral strategies in Mobility, Housing or Environment. Yet it mostly consists in setting out objectives and identifying specific strategic areas for urban development (opportunity areas). Indeed the Local Development Framework (LDF) made by the boroughs must be in general conformity with the London Plan, in the sense that they must identify such areas and display objectives that are coherent with the GLA ones as distributed between boroughs. But any private developer can negotiate with the local authority on what could actually be built for a given price of land, as far as it provides the « *material consideration* » that the given objectives are not economically viable. Which can result in many modifications, such as larger or more dense versions of it, with a lower share of affordable or social housing. The overall objective for all parties really consists in building a case and make recommendations for the planning committee of the borough. The whole process takes a long time. Different interviews point out to similar estimates : getting a planning permission for a scheme with more than 50 housing units requires two years. This largely explains, conversely to the French case, the oligopolistic nature of private developers in

¹ In this sense there is no such thing as a « Code de l'Urbanisme » or any equivalent tools as Coefficient d'Occupation des Sols (COS).

London, with seven to eight actors sharing around 80% of the London market.¹ As it is largely negotiated, judicialized and time-consuming, this business is considered very risky and hence excludes small and less-resourceful actors.

Another important difference is that local authorities give planning permissions but do not build. And private developers that acquired a permission have no obligations to build and can on the contrary re-negotiate the content of the permit to increase the value of the land. This leads to a speculation on permits. For instance a developer that owns a land and has permission for 300 flats can buy the permit but instead of building them return to the local authority and negotiate a new mix, and so on. This explains why only around half of all permitted projects are actually built.² This specific aspect of British planning generates criticism on its time-consuming aspect and on the economic cost of non-building, a « deadweight loss » in Paul Cheshire's view. Overall, because of such negotiated and discretionary planning system, it is clear that the objectives set out by the Mayor Sadiq Khan for having 66,000 homes annually built, with 35% of affordable housing, have extremely limited chance of being met.

Without entering into a delicate comparative debate about the respective merits of the two systems, let us put them in perspective with a common narrative in both political and academic views on the contemporary challenges faced by such large metropolitan areas. In a dominant view, demand in these superstar metropolitan regions has risen more than supply and some specific factors related to zoning and planning regulations are somehow blocking housing delivery, and are thus responsible for the increase of prices and the resulting affordability crisis. This implicitly means that the increase in the supply of housing would increase residential mobility within the metropolitan system, making the wealthiest people move into new expensive homes and vacant the old ones for other groups to move up into. In other words a vacancy chain with benefits going down the income hierarchy, and then out from centres of construction to other places: a so-called « filtering » process from which all income groups would benefit. This narrative is thus based on rather manichean situation in which the interests of various social-classes finally meet with the common objectives of unlocking housing supply

¹ They are gathered at national level in the British Property Federation which was described as highly influential.

² Between 2004 and 2012 50,000 homes were permitted but only 25,000 homes built. In 2016, for the 60,000 homes permitted, around 29,000 were built.

and therefore overcome whatever is blocking it : primarily zoning regulations and local NIMBYist behaviors.

The idea is not to tackle this debate but to understand how such common political and even academic narrative materialize in Paris and London, given the institutional contexts and planing systems presented. In London, given the negotiated and discretionary system, the criticisms primarily target the planning system as well as some specific planning restrictions (Cheshire, 2018; Cheshire & Hilber, 2008; Cheshire, Nathan, & Overman, 2015) and notorious examples as the Green Belt (Cheshire, Seager, & Stringer, 2015). Ending or at least easing these regulations would be the solution. In their article « Housing, urban growth and inequalities : the limits to deregulation and upzoning in reducing economic and spatial inequality », Andres Rodrigues-Pose and Michael Storper conversely assert that there is so far no strong evidence that housing regulations are responsible for differences in home-availability or prices. And thus that easing planning restrictions would make a difference in solving the affordability crisis in such metropolitan areas (Rodríguez-Pose & Storper, 2020).

When it comes to France, given both the prescriptive nature of plans and the extremely fragmented scheme of municipalities and thus of planning prerogatives, similar criticisms focus more on the NIMBYist behaviors of neighborhood communities and by extension their elected mayors. Hence the fact that they should be overridden and the only way to do that is authoritarily from the top. Or in a softer and inclusive version of it through larger and structuring projects allowing them to see « the bigger picture ». All of this perfectly according voluntarist top-down State-policies based on a supply-driven vision of development.¹ This will now be illustrated through the analysis of transport systems and the delivery of tranport infrastructure.

¹ When it comes to housing, one of the directors of a large private developer mentioned this trend of the French system to systematically enter housing issues by the supply-side, which in his view generates pernicious effects : « *The problem in France and in the Paris region is heavily linked to the solvability of renters and buyers. Because of the crises of the past we have heavily subsidized this economic sector. Twenty years ago we could have backed down and enter a more virtuous model. Today this inflationist system is very pernicious. Since we keep on subsidying, prices go up and do not go down, and increase more than wages. Today we can no longer change this since it would generate a fall of housing delivery, of GDP and unemployment. No government will ever do it. But why do we still need to help buyers through fiscal mechanisms, while interest rates are that low ?* ».

C - Transport provision and the delivery of infrastructure: two narratives on urban development

This second part explores another intermediate dependent variable proxied by a physical urban output – transport infrastructure. It exemplifies the different pathways taken by both metropolitan areas in the complex two-way relationship between transport, mobility and land-use. Just as with housing, commercial real estate and planning, transport relates to dedicated complex issues and a specific literature. This section does not pretend to provide a very detailed and comprehensive comparison of mobility and transport provision in both cities. By relying on existing works, it only aims at pinpointing large-scale major differences between the two regions. On the one hand it gathers comparable statistics on the mobility and transport systems within both regions. From this comparison it then provides a general view on how the governance of transport is carried out in both cities (1). These two systems of interrelations are then put in perspective through the delivery of two parallel big infrastructure projects: the Grand Paris Express (2) and Crossrail 1 (3). These two relevant and contemporary cases highlight the different ways in which the various systems of interrelations operate in each metropolitan area but also reflect the predominance of two different narratives on urban development: supply-driven (Paris) and demand-driven (London).

1) Transport provision and the governance of mobility in Paris and London

Mobility and transport provision in Paris and London

Direct comparisons of mobility and transport systems between different metropolises in terms of provision and/or performance are rather rare in academic literature. For Paris and London they are essentially carried out by dedicated agencies and this since the late 1990s (Institut Paris Région, 1998, 2007a, 2009c, 2009e, 2009d, 2016a). They rely on a considerable amount of statistics produced by local transport authorities or statistical agencies, through annual enquiries on the degree and nature of commuting – average distance and time of commuting, modal share (car, rail, bus or walk for instance) – and consolidated statistics on each transport system – number and length of transport lines, cars, cabs or bicycles. These

elements have been consolidated in a large table available in the Appendix (p.129) with the various corresponding sources. They however need to be considered cautiously when compared with each other since they refer to two different scales – which as stated below relate to the main scale of each transport authority: the Région Ile-de-France (Equivalent Paris FUR) and Greater London (Equivalent London core). Not only does this difference matter in demographic terms (respectively 12.2 million people against 8.9), but it is also key when it comes to the nature of mobility and transport provision, from dense urban zones to suburban less dense ones with a higher share of individual homes and cars.¹ Comparing mobility and transport provision requires comparative scales.

In 2015 the Institut Paris Region fortunately carried out a direct comparison for some key statistics on comparable scales (see Appendix p.130), considering Greater London (the first six transport price zones), that-is-to-say 8.2 million people and 1,572 km², and the first four price zones of the Paris region: 1 305 km² and 8.3 million people (a little larger than the core). The comparable scales exhibit density rates consistent with the two spatial schemes (compact Paris and spread-out London) from Chapter 1: larger in Paris (6,360 inhab./km²) than in London (5,220 inhab./km²). A general census on transport provision at this scale display a globally larger modal provision in London:² 700 bus lines and 19,000 stops (against 370 lines and 7,340 stops in Paris), 18 underground lines (including the 7 docklands light railway ones) with 436 stations (against 16 “métro” lines with 302 stations in Paris), and 25 railroad lines (including 6 Overground lines) with 348 stations (against 15 lines, including 5 RER ones,³ and 223 stations for Paris). At the exception of tramway lines, for which Paris exhibits a larger provision,⁴ the measures by the Institut Paris Région reveal an apparent modal provision in favour of London. When then looking at the density of provision – the number of kilometres operated annually – by means of transport the same result appears. For the underground London operates 77 million train-km (against 49 in Paris), and as for suburban trains it reaches 80 million train-km (against

¹ See for instance the famous comparative essay by Peter W.G. Newman and Jeffrey R. Kenworthy *Cities and Automobile dependence* (Ashgate Publishing, 1989), clearly demonstrating a reverse correlation between urban density and car-use.

² These evidence of course hark back to 2015 and might have slightly changed ever since.

³ As mentioned later on with the delivery of Grand Paris Express, RER stands for « Réseau Express Régional », a transport network built by the French central government in the 1960s onwards for developing secondary urban centralities in the Région Ile-de-France (the five « villes nouvelles »).

⁴ 6 lines and 155 stops for the French capital against 4 lines and 39 stops in London.

31 in Paris). The only mean of transport seemingly in favour of Paris is the tram: 4 million vehicle-km against 3 in London.

But things are in fact more subtle than a simply better provision in London. When it comes to the capacity of each mean of transport, as measured thanks to data given by transport authorities and main public and private operators (presented in the next section), the capacity of suburban trains is three times larger in the Paris region : 1,722 people by train against 509 in London. As for other means the differences are smaller: the London metros can carry on average 728 people by train against 586 for Paris, while buses are in this respect comparable – 79 people by bus in London against 83 in Paris. Overall the rail supply is equivalent in both metropolitan areas: 63 million available seat kilometre (ASK)¹ for London and 64 million in Paris. In London this overall rail supply is quite evenly balanced between metro (58%) and train (42%), while in Paris 65% relate to suburban trains – with a more limited number of lines and stops as stated above – and 34% to the metro – which is today limited to the City of Paris and some adjoining communes, namely an hyper-centre.² To summarize, for an overall equivalent rail supply, the London system exhibits more lines and a generally lighter infrastructure, while the Paris system heavily relies on a fewer rail lines but mass-transit ones.

Not only is this consistent with the very compact urban form of the French capital, but it suggests a more rail and mass-infrastructure-oriented developmental scheme, with dense urban developments developing along some structuring and mass-transit lines. Conversely the London transport provision resembles one induced by the spread-out urban development, following it by lighter but more numerous lines – as opposed to structuring it as seemingly the case in Paris. In this respect the most striking difference relates to the bus network which appears way denser in London: 490 million vehicle-km against 183 mn Paris, for an average equivalent capacity of individual buses. A 2009 study by the Institut Paris Région illustrates the primary role played by buses in the mobility of Londoners already back then, with 6.5 million trips everyday and an increase of 50% between 1996 and 2009. In the British capital it is used by commuters on almost equivalent distance as metros, whereas these distances are on average twice lower in the Région Ile-de-France (Institut Paris Région, 2009c). The flexible dimension of buses – in other words an easier evolving map of the network – is thus heavily used here so

¹ This indicator is computed by multiplying the total number of operated kilometers by the rolling stock capacity.

² In both cases the rail supply by trams is marginal (1%).

that the global transport system catches-up with urban sprawl and adapts to the evolving spatial structure of commuting and other daily trips.

These differences in transport provision are all the more relevant when put in perspective with the actual modal share of commuters, even though they are harder to establish precisely since the statistical inquiries used for measuring them are implemented at different scales (see Appendix p.129). In the Region Ile-de-France the estimated 43 million trips per day are in majority made by foot (40%), car (34%) and then public transport (22% with no more details on the means used). As for London – once again at a the more central scale of the core – the 27 million trips per day are in majority made by public transport (36%, including 14% by bus and tram/light-rail, 11% subway and 11% by suburban rail), car (35%) and foot (25%). The equivalent share of cars, given that the Paris data accounts for the suburban part of the region in which cars are on average more used, suggests that overall - on the equivalent scales described above - the use of cars as a daily mean of transport is higher in London. The higher supply of taxis in London might explain part of these differences : as described in another 2009 detailed study by the Institut Paris Region the number of cabs by inhabitant is equivalent in Greater London than in the City of Paris (Institut Paris Région, 2009e). It also shows that when compared to the whole Paris region the supply of taxis is significantly higher in London : 9.4 vehicles per 1,000 inhabitants and 44.5 vehicles per km², against 2.8 vehicles per 1,000 inhabitants and 2.7 vehicles per km². Even though it significantly decreased since 1991 (from 49% to 35% in 2018 as seen in the Appendix p.128), the use of cars – at equivalent scales - in London is probably higher than in Paris but not significantly.

To summarize, as two major European metropolitan areas, Paris and London do not heavily differ when it comes to the trade-off between cars and public transport, and exhibit a dense public transport provision. Yet for an equivalent overall rail supply Paris relies on a more limited number of lines but with a significantly higher capacity, reflecting both its more compact urban form and higher density but also seemingly a developmental scheme of urban development as structured by mass-transit infrastructure. Conversely in London the spread-out urbanization scheme appears to be facilitated by transport supply, consisting of a higher number of rail lines but with a smaller capacity, and overall a primary role of bus lines – more flexible to highly evolving commuting patterns.

But these complex two-way relationships between transport and land-use also reflect in two different governance systems for mobility as a whole.

A more decentralized and integrated system in London

In the Paris region the authority in charge of transport is Ile-de-France Mobilités (IDFM) – formally Syndicat des Transports de la Région Ile-de-France (STIF) -, a regional public body operating at regional scale and chaired by the President of the Région Ile-de-France. In conformity with the successive decentralization acts transport is primarily a regional prerogative since the 1980s. Yet this decentralization process occurred later and more partially in the capital region. The former Syndicat des Transports Parisiens (STP), which had become the STIF, has long been a central government body and only became chaired by the President of the Region Ile-de-France in 2005. Moreover the prerogatives of Ile-de-France Mobilités remain limited to public transport – both heavy (métro, RER, Transilien) and light (tramways and tram-trains), buses, to a lesser extent bicycles,¹ as well as new forms of mobilities such as support to car share and long-term bicycle rent. Contrary to other transport authorities in large metropolitan areas it still has no prerogatives in terms of planning or managing the road network, which is still done by the central government through the Direction Régionale et Interdépartementale de l'Équipement et des Aménagements d'Ile-de-France (DRIEA) – under the authority of the Ministry of Environment (Institut Paris Région, 2019b). This is the case even though, as just noted, cars are still the second daily mean of transport after walking. Moreover, beyond its wider political role, the City of Paris still has an important role in regional transport policies, as shown for instance by the development of its own shared-bike system and its extension to the adjoining communes through the Syndicat Vélib Métropole.² Overall the governance of mobility is still structured around three main actors: the State, the Région Ile-de-France and the City of Paris. Hence that it is only very partially decentralized and integrated.

Conversely, after having been successively through different names and statuses nationalized (1948), decentralized at a metropolitan level (1970) and recentralized and fragmented in the 1980s (see Appendix p.131), the London transport system today appears as more transparent and integrated, managed by a single metropolitan organization : Transport for London (TfL). Chaired by the Mayor of London, it was created in 2000 with the Greater London Authority. It is extremely integrated when compared to IDFM, managing all means of transport

¹ IDFM finances initiatives by local authorities for developing cycling infrastructures such as bike paths, lanes or parking.

² The Vélib' Métropole system (15,000 bikes and 1,314 stations) thus coexist with the Véligo one developed by the Région Ile-de-France through IDFM (10,000 bikes), even though the second one is just for long-term renting.

including roads – the perception of the congestion charge and the maintenance of some roads (though TfL Road Network) and the management of 6,000 traffic lights across all Greater London, roads being the prerogative of boroughs¹ - as well as some initiatives for the promotion of walking, such as common actions with private developers for improving public spaces. Moreover TfL manages a real-time traffic observatory on all means of transport accessible online, whose equivalent in the Paris region (Sytadin) is still operated by the DRIEA (central government). Last but not least, contrary to IDFM, TfL is in charge of emitting and delivering cab licences to drivers. The London system overall appears as more decentralized and integrated when it comes to transport authorities.

Organizational comparison between Ile-de-France Mobilités and Transport for London

	STIF / Ile-de-France Mobilités	Transport for London
Area covered (km ²)	12 011	1 572
Number of employees	389 (2015)	27,000 (2018)
Budget (recent year)	€9.4bn (2015)	£10.2bn (2018)
Funding (same recent year)	"Versement Transport": 40% Fares: 28.5% Grants: 19.5% Employers (Navigo pass for staff): 9% Other incomes: 3%	Fares: 47% Grants: 33% Borrowing & cash reserves: 8% Other incomes: 12%
Means of Transport managed		
<i>Car</i>	No	Yes
<i>Bus</i>	Yes	Yes
<i>Subway / Overground</i>	Yes	Yes
<i>Cycling</i>	Yes	Yes
<i>Walk</i>	No	Yes
<i>Other</i>	Cable-car (project)	Cable-car (in operation)
Who operates ?		
<i>Car</i>	NA	Transport for London Road Network + all traffic lights: TfL Motorways: Highways England Remaining roads: London boroughs
<i>Bus</i>	Optile (multiple private operators, 1081 lines) RATP (352 lines) SNCF (16 night lines)	Multiple private operators under contract
<i>Subway / Overground</i>	Paris metro: RATP (monopoly on all existing lines until 2035) RER: RATP + SNCF Transilien: SNCF Tram: RATP, SNCF, Keolis	Tube: TfL DLR: KeolisAmey Docklands Ltd. Overground: ArrivaRail London (Deutsche Bahn Group) + Network Rail (tracks and signals management) Crossrail 1 (TfL Rail / Elizabeth Line): MTR Crossrail Ltd Tram: FirstGroup
<i>Cycling</i>	Véligo: IDFM	Santander Cycles : Serco
<i>Walk</i>	NA	Healthy Street Strategy (recommendations for building contractors)
<i>Other</i>	NA	Cable-car: Emirates

Source: Ile-de-France Mobilités and Transport for London

¹ At the exception of highways which remain managed by the central government (Highways England).

This difference also appears when looking at the actors operating the major lines. In the Paris case the Régie Autonome des Transports Parisiens (RATP) and the Société Nationale des Chemins de fer Français (SNCF), two State public bodies, still play a prominent role. As seen in the table above, they still have a monopoly¹ for operating the subway and overground network: the Paris metro (RATP), the RER (both RATP and SNCF), the Transilien (SNCF) and most of the tram network (RATP and SNCF with a part operated by Keolis). In London TfL still operates the historical 11 lines of the London Tube via London Underground. Beyond the wider means of transport managed by TfL, this largely explains the higher number of employees in TfL (27,000 in 2018) than in IDFM (389 in 2015). All the other subway and overground lines in London are privately operated, TfL managing the open-market competition and choosing the operator for the Docklands Light Railway (DLR, today managed by KeolisAmey Docklands), the Overground (ArrivaRail from the Deutsche Bahn Group)² and trams (FirstGroup). As for the numerous London bus lines, which were privatized in the mid-1990s onwards, TfL manages around twenty different private operators that deal with the 675 lines throughout Greater London. In the case of Paris most buses (1,081 lines) are privately operated – these private actors being gathered in a group called Optile – but some of them are still managed publicly: all the Paris buses (352 lines) that increasingly serve the adjoining commune of the City of Paris (RATP) and 16 night lines (SNCF).

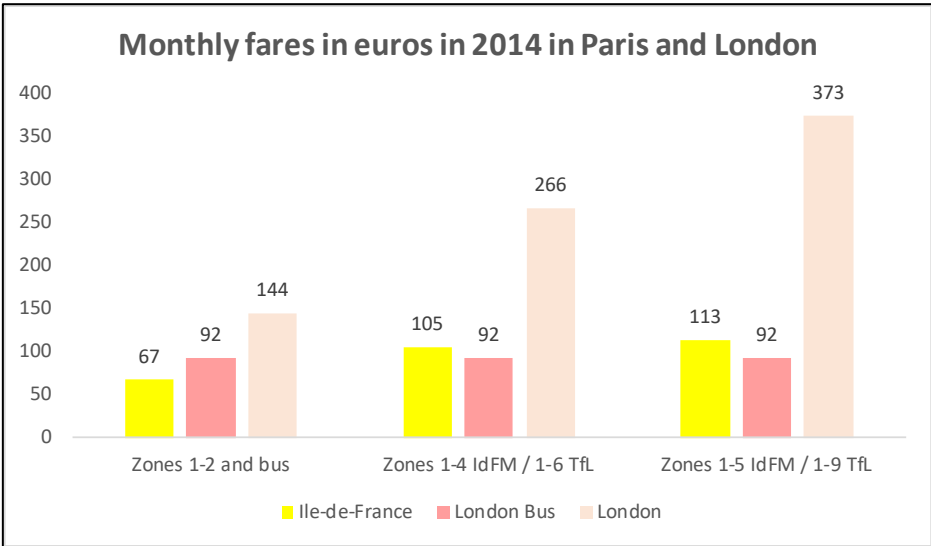
Therefore, when it comes to operating the network as well, the Paris system appears as only partially decentralized and integrated as compared to London. This renders the coordination between the various means of transport more tricky, not only because of the number of actors but also when it comes for instance to sharing data – an issue that very quickly becomes political and reflect the oppositions between the multiple institutions of the Paris region. Conversely the main remaining challenge for TfL – as by essence operating within the administrative boundaries of the GLA - relates to the coordination of mobility at the wider scale

¹ The end of these monopolies – and the request for opening these markets up to competition - and more generally nationwide the ones of SNCF on most railway lines, as requested by the European Commission, is a constant sensitive issue that has so far always been postponed. This does not refrain RATP and SNCF, while juridically and politically protecting these monopolises, from creating private-right subsidiary companies (respectively RATP Dev and Keolis) to compete on open markets in France and abroad.

² This specific market is attributed in partnership with the central government public body Network Rail, which for the Overground still manages tracks and signals.

of the London FUR and to a larger extent the Greater South East, in which the rail network is still a central government matter, where private cars remain primarily used and which is characterized by very-long-distance commuting (Appert, 2005a). The progressive integration of adjoining lines outside the GLA boundaries to TfL is an ongoing process and a permanent negotiation with the central government.

A last important difference between both systems relates to financing. IDFM has an annual budget of 9.4 billion euros (2015) and TfL 10.2 billion pounds (2015) - around 11.4 billion euros. These rather comparable budgets - even though not comparable because of different scales and prerogatives of both organizations – come from different sources. The French transport system is essentially financed by companies through the Versement Transport (40%),¹ a tax due by any employer with at least 11 employees whatever its juridical status, which is received by Urssaf and given to the local authorities in charge of transport – here the Region Ile-de-France. Employers also finance public transport by covering half of the transport pass (Navigo), for an additional 9% of the whole IDFM budget. The rest is financed by fares (28.5%) and grants (19.5%). With no equivalent of the Versement Transport the budget of TfL primarily comes from fares (47%) and grants (33%), and then borrowing and cash reserves (8%) and other (mainly commercial) incomes (12%).



Source: Institut Paris Région / 2014 data (from IDFM / TfL)

¹ This tool was originally a specificity of the Paris region for financing major transport infrastructure by the central government in the 1960s onwards, and was progressively extended to the rest of France in the 1970s onwards.

These various differences are reflected in the general prices of transport in the two cities. Even though comprehensive price comparisons are especially tricky, dedicated measures by the Institut Paris Région confirm this statement. The graph above shows that the monthly fares in the Paris region are globally lower for all means of public transport (67 euros for IDFM zones 1-2), 105 (zones 1-4) and 113 (zones 1-5). These monthly fares have been harmonized across the whole region in 2015 (see Appendix p.133), around 75 euros. As for London the fares appears higher and grow significantly when going further away from the centre: 144 euros (TfL zones 1-2), 266 euros (zones 1-6) and 373 euros (zones 1-9). As seen in the Appendix (p.132) the general evolution of monthly fares for the central zones (1-2) between 2004 and 2014 was only 10% in the Paris case against 21% in London. The case of London buses once again appears interesting since TfL offers a lower and constant fare for the sole use of buses since 2002 (92 euros whatever the zone).

In other words the London system relies on higher prices paid by individuals to cover the cost for provision,¹ but also on a more flexible system which adapts to the nature and degree of the demand. Qualified as “Pay-As-You-Go” (PAYG) – based on the Oyster card - the system adapts the prices paid by users with the distance and time of the trip, with a daily maximum equal to the daily fare of the corresponding zone (thus between £7 and £21.80 in 2014) and similarly for a week (between £31.40 and £81.70). Starting with an apparently equivalent price of a single-ticket in the central zones (1.70 euros in Paris in 2014 and today 1.90€ against £1.45 in London in 2014, namely around 1.73 euros), prices grow more quickly in London² while more closely reflecting the real consumption of the user. In Paris whether relating to single-ticket prices or monthly fares, prices paid by the users are lower – with the exception in London of the dedicated monthly fare for buses – and the whole system is mostly financed by employers.

This difference appears consistent with the two narratives on urban development earlier described. The whole decentralized and integrated London system is organized as a response to urban growth and thus to the induced evolving demand. Conversely, being still largely publicly operated in its structuring railroad mass-infrastructure, partially decentralized and

¹ Detailed comparable data for 2014 can be found in the Website of the Institut Paris Region in the following [link](#).

² The Institut Paris Region estimates the price for a one-way single ticket in the equivalent zones earlier described to 4.50 euros in London, that-is-to-say three times more than in Paris.

integrated, the Paris system remains organized around its railway system, largely and indifferently financed by economic actors, whatever the effective daily uses by people. Buses are in this respect somewhat considered as a more local transport, for shorter distances, secondarily serving territories from railway stations. The implicit claim is that economic development, and as a consequence the whole metropolitan dynamic, is induced by this structuring role of big transport infrastructure. A belief in transit-oriented development.

These two systems and narratives of urban development are now eventually illustrated through the parallel analysis of the two main ongoing big infrastructure transport projects in each city: Grand Paris Express (2) and Crossrail 1 (3). This comparative case study was both based on a comprehensive literature review as well as on interviews in Paris and London (see the table of interviews in the beginning of the Appendix p.4). It does not consist in assessing the relevance of each project in terms of socioeconomic and urban development which, because opening such complex issues as transport economics, would require a dedicated research. It first describes the conception of these two projects and links them to the different narratives of urban development earlier evoked. It then shows that they were each the product of very different systems of interrelations: a public-public negotiation in the Paris case with an extremely limited implications of private actors in its conception, against a public-private negotiation for the London project with a primary role of well-structured businesses.

2) A public-public project: Grand Paris Express

The narrative of Grand Paris Express : a circular transport infrastructure for de-constraining urban growth and structuring multiplolar clusters

The contemporary Grand Paris Express project is a very large infrastructure and circular transport project. It is the result of a complex negotiated process binding different projects and a political rivalry between the Région Ile-de-France and the French central government in the late 2000s onwards. The project continues the tradition, documented in Chapter 4, where the central government plays a primary role in the urban development of the French capital. This role reached its climax through the voluntarist Post-War planning policies (described in the previous Chapter and precedently in this one), inspired by the 1947 essay by Jean-François Fravier *Paris and the French desert*. They aimed at « re-balancing » the macrocephalic

character of the French urban system, which gave birth to the policy of the « métropoles d'équilibres » and the delivery of the TGV network. These voluntarist State policies were specifically applied to the Paris agglomeration, whose urban growth was considered parasitic, and which in such views needed to be structured and balanced at regional level. The 1965 Schéma d'aménagement et de développement de la région parisienne (SDAURP), managed by the central government through the Seine district and the Prefect Paul Delouvrier, was meant to develop five « villes nouvelles » (*new towns*) : Cergy-Pontoise, Saint-Quentin-en-Yvelines, Evry, Melun-Sénart (today Sénart) and Marne-la-Valée.

These policies were already based on the structuring role of mass-transport, with the implementation of the Réseau Express Régional (RER) that occurred according to the geography of these « ville nouvelles » (see Appendix p.134) : the RER A linking Paris to Marne-la-Vallée and Cergy-Pontoise ; the RER C linking Paris to Saint-Quentin-en-Yvelines ; the RER D linking Paris to Evry and Melun-Sénart. Hence that the network was developed in a radioconcentric (centre-periphery) scheme, and is still structured as such if we bear in mind the large reliance of the whole system on a few high-capacity infrastructure. In the shape of star, it starts from its hypercentre node in the heart of Paris in Châtelet-Les Halles (and Saint-Michel-Notre-Dame for the RER C) and spreads across peripheries.

The need for circular lines grows in the 1990 onwards, with both the increasing new geography of commuting¹ and the under-investment in transport in the 1980s onwards.² A first

¹ As previously mentioned in Chapter 2, the Third Industrial Revolution generated large economic and geographical change in the Paris region. After decades of suburban growth with a City of Paris continuously losing population, the 1990s onwards are marked by a demographic concentration in the central dense area of the agglomeration. The City of Paris since then ceased to lose population (stabilized around 2.1 million people), even though recent data show that population decline resumed, and its adjoining communes in the petite couronne exhibit very high population growth (Institut Paris Région, 2013). This contributed to changing the geographical nature of commuting, with a growing share of daily trips made from suburbs to suburbs : an actual rate overcoming 70%. With such geography the radial nature of the network – as high-capacity as it may be – becomes structurally inadequate, since any circular commuting requires a correspondance through the centre. Hence the very high-congestion in Chatelet in rush hours, daily experienced by millions of people using suburban trains.

² The voluntarist State policies and high-investments in the Paris region significantly wanes in the 1980s, both because of the oil shocks and economic crisis of the 1970s, but also because of a priority given by the central government to the development of the TGV network nationwide. The only major improvements made to the existing network relate to the will for tackling the congestion of the RER A between Gare de Lyon and La Défense, which appears as soon as 1985 (Institut Paris Région, 2010). Three main projects are thus carried out : a new tunnel between Gare de Lyon and Châtelet which finishes the RER D, a new east-west line between the eastern suburbs and the Gare Saint-Lazare (RER

proposition by the Institut Paris Région, named Orbitale, is made through the 1994-1995 revised version of the Schéma Directeur of the Région Ile-de-France (SDRIF). But for financial issues it does not lead to any concrete realization. It is renewed – in a slightly different form though - in 2004 by the RATP, that in this respect chooses to bypass its simple role as transport operator.¹ The public body conceives a circular network in very close proximity to the City of Paris – somehow linking the adjoining communes – but with still various possibilities. Being a State body it indeed needs the political support from local authorities, and shall therefore not appear as an authoritarian planning body. The project – becoming labelled « Métrophérique » - gets the support from the City of Paris, the départements of Val-de-Marne and Hauts-de-Seine and the Associations des Maires d'Ile-de-France, but neither from the Président of the Region-Ile-de-France Jean-Paul Huchon – focused on investments for renewing the existing network – nor from the State – not very inclined to resume mass-public investment for the Paris region. Because of the growing support from local authorities and the first tensions with the central government in 2006 – regarding different views on the regional planning strategy – the Président of the Région Ile-de-France eventually resorts to support the project which becomes « Arc Express » (see Appendix p.135).

The rise of a circular transport project catalyses tensions between the Région and the central government. Shortly after his election in 2007 as Président de la République, Nicolas Sarkozy delivers a speech in Roissy in which he uses the word « Grand Paris »² and displays ambitions for the Paris region in the international competition.³ In 2008 he appoints Christian Blanc – former chief executive of Air France and RATP - as chairman of the new Secrétariat d'Etat au Développement de la Région Capitale. His goal was to quickly conceive a transport project in relation with the ambitions set out the previous year. Presented in 2009 this project

E), and a new automatic metro doubling the RER A on its central part (Meteor or the future line 14). Three radial projects aiming but failing at solving the congestion of the RER A.

¹ This relates to the ambition by the successive directors Anne-Marie Idrac and Pierre Mongin to extend the prerogatives of the RATP – as an « actor of urban development » - and to secure – as the conceptor of the project - the future operation of the new network.

² As developed in the next Chapter, the word « Grand Paris » had appeared in the early 20th century but completely disappeared in the 1960s onwards.

³ In this speech he mentions the Métrophérique / Arc Express project, along with others such as the Charles-de-Gaulle Express and the development of the Plateau de Saclay. Yet at this point it is unclear to everyone if what seems to appear as a voluntarist « return » of the State in the strategic development of the region relates to a project or an authoritarian institutional reform – and thus the creation of a metropolitan authority labeled « Grand Paris ».

labelled « Grand Huit » consists in quickly – only 40 stations - linking what are presented as « clusters » of the region. As seen in the Appendix (p.136) it is also a circular transport project, but with a completely different approach to transport from Arc Express. The latter, supported by most local authorities including the Région, focuses on the central dense agglomeration and somehow consists in linking the adjoining communes of the City of Paris with one another, with a higher number of stations (50). The State project is based on quickly serving the supposedly key-economic zones (detailed information on both projects are given in the Appendix p.138).

The purpose of this section is not to assess the relevance of such territorial « clusters » and the overall transport and planning strategy behind this project. Some comments can still be made. First of all they do not relate to equivalent objects. Some indeed appear as effective locations of specific activities. Identifying La Défense as a cluster for finance makes sense, even though it could then have encompassed the western part of the City of Paris known as the « Triangle d'Or ». But many others appear as way more prospective, such as the cluster of creation in Saint-Denis and more especially the cluster of sustainable development in Marne-la-Vallée. Moreover, even admitting that these different specializations indeed relate to economic specificities and thus alleged competitive advantages of the capital region, the idea that these multiple specializations could clearly appear statistically in the form of such large circles is highly questionable. Several interviews with former colleagues of Christian Blanc confirmed that the overall scheme had in this respect been highly simplified for political purposes – so that the Secrétaire d'Etat would be able to secure State funding thanks to an easily understandable strategy. This seems to fit the common narrative of a metropolis growing thanks to multiple highly-technological specializations in a somehow endogenous way through innovation and productivity-gains. Our statistical analysis on economic specialization and diversification in the previous Chapter questioned the veracity of this narrative. When it comes to providing a clear and easily appropriable view in a city-branding and economic promotion approach such a scheme could indeed be understood, but this is quite different from being supported by hard evidence.

Behind the unquestionable differences between the two circular projects of the Grand Huit and Arc Express, lies a political opposition between the Région Ile-de-France and the central

government, each boldly criticizing the other's project.¹ This opposition between these projects somehow epitomized a governance conflict for the authority and legitimacy on strategic planning in the Paris region.² This led the French urbanist Marc Wiel to rightly describe the Grand Paris as the « *first conflict born from decentralization* » [« Premier conflit né de la décentralisation »] (Wiel 2011). This opposition reached its climax during the 2010-2011 public debate.³ Well aware that each project could never be delivered without the financial support of both the Région and the State, each side publicly defends its project with no apparent concession. In fact, in the beginning and outside the whole public debate (September 2010 to January 2011), the then Ministre de la Ville Maurice Leroy asks Pascal Auzannet – former Director of Prospective of the RATP – to privately negotiate with each party in order to come up with a synthetical project mixing both : a transport but also political consensus. Five days before the end of the public concertation, on January 26th, 2011, the « Grand Paris Express » is presented to the public (see the most recent version of it, very similar former ones, in the Appendix p.137). The overall scheme is largely based on the Grand Huit, with the additions of 7 new stations and the eastern line of the former Arc Express.⁴

Thus the actual Grand Paris Express is an exclusively political conception, with a turbulent history that reflects not only the institutional fragmentation of the Paris region but also the traditional and remaining primary role played by central government, through voluntarist stop-and-go investment and infrastructure policies. This mass-project (see the most recent information in the Appendix p.138) well epitomizes the trend in the Paris region (and in France) to tackle urban development issues through the supply-side – infrastructure and urban planning. In this respect the recent increase of starts-on-site of dwellings in 2009 onwards is

¹ One should also not forget that one of the drivers of Nicolas Sarkozy's voluntarism in imposing a new infrastructure transport project, against the one originally conceived by the RATP, was to break the monopoly of SNCF and RATP for operating most of the regional public transport system.

² In this respect the nomination of Christian Blanc and the blocking of the SDRIF – and thus Arc Express - by the central government in the Conseil d'Etat, even though it had been voted by the Regional Council, was viewed as an act of « aggression » (as mentioned by an interviewee, former colleague of Christian Blanc). The sign of a return of the traditional « Etat aménageur » despite decades of administrative decentralization.

³ After months of very tense oppositions between Christian Blanc and Jean-Paul Huchon, the first Loi du Grand Paris (June 5th, 2010) eventually included both projects in the compulsory process of public concertation (September 2010 – January 2011). It also created the State public body of the Société du Grand Paris, in charge of delivering most of the infrastructure of the Grand Paris Express.

⁴ A few additional technological debates remain concerning the lines 14 and 18 and are postponed at this point.

largely the effect of the future delivery of this infrastructure. Nordine Kirèche amongst others, in his study on housing in Paris, London and New York, for instance mentioned a « Grand Paris effect » (Kirèche, 2018), referring to planning opportunities around train stations of the Line 15 - closely circling the City of Paris and most probably the first one to be delivered. In this respect annual estimates of these start-on-sites given by Gérard Lacoste, previously quoted, highlight a quick increase in 2009 onwards – 40,000 starts-on-site – and especially since 2014 – from a little less than 60,000 starts-on-site to 80,000 in 2017. It thus perfectly accords the narrative of a successful « zoning-shock » therapy thanks to voluntarist top-down policy based on transport infrastructure and transit-oriented development.¹

The consolidation of the transport project moreover generated further academic works aiming at assessing its induced effect on the dynamic of the Paris region – beyond the sole direct effect of the infrastructure delivery of course. Etienne Wasmer and his co-authors thus carried out in 2017 an econometric research for the Société du Grand Paris (SGP) assessing the effect of Grand Paris Express on both labour and housing-markets (Chapelle, Wasmer, Bono, Oswald, & Urvoy, 2017).² The transport economists Mathieu Drevelle and Francis Beaucire (Beaucire & Drevelle, 2013) also computed supposedly correcting effects of the close eastern circular line (15) on the east-west unbalance between populations and employments. The alledged assertion is of course that the structuring long-term unemployment of the Paris region mostly relates to a spatial mismatch and thus to physical accessibility issues, which might indeed play a role but perhaps quite limited (Gobillon & Selot, 2007) as compared to other forces mentioned in Chapter 2 limiting the dynamism of the Paris labour-market. Overall the

¹ Without entering into this debate, let us just mention that one of the executive officers of the largest French private developer contested the reliability of these data when interviewed : « *Let us imagine that we double the production of housing. We do not even know if the construction sector would be able to follow, for questions of human resources. We realize that the quality of these construction sites really decreases and that the labour-force is poorly qualified. And this strongly affects the quality of what we deliver – and this applies to every developer of the sector. As for the data, going from an average of 35,000 dwellings per year throughout the 2000s to almost 80,000 in 2016 is a mystery. We do not understand where these figures come from. And we contest them. Unfortunately there is no accredited body in France which validates these data. You need to know that we are the one providing the State with evidence on the number of dwellings in ANRU neighborhoods. No one has the same data. It is a huge issue. As for the ones from last years, as I said it remains a mystery to us* » .

² Once again such issue is extremely tricky to tackle at this point. The authors conclude to a significant effect on employment but with a hypothesis of population growth similar to the rythm of improvements of the transport system. They also assert that at constant population average rents and real-estate prices could decrease, but are on this matter quite cautious as well. Eventually they consider possible effects of induced shorter commuting-time on labour productivity (Chapelle et al., 2017).

Grand Paris Express and its underlying transit-oriented model of development, allowing the rise of new dense and mixed-use urban programmes around stations – moreover allegedly contributing to increase the use of public transport - perfectly matches the narrative previously set out.

The project of the Plateau de Saclay – the « cluster of creation » in the original Grand Huit project - also epitomises this developmental scheme based on the structuring role of mass-infrastructure and voluntary planning and on its supposedly induced territorial development. A dedicated line – the actual Ligne 18 – is thus supposed to link Orly to Versailles through the Plateau de Saclay and thus catalyze the development of what is supposed to become the French « Silicon Valley ». Located in the South-West of Paris, between the high Vallée de la Bièvre and the Vallée de l'Yvette, this mostly agricultural area shelters - as a result of Post-War planning policies - important research centres, universities and *grandes écoles*. Amongst them it accounts - chronologically - the Commissariat à l'Énergie Atomique (CEA), the Facultés des Sciences d'Orsay – integrated in the Université Paris Sud after 1968 – l'École des Hautes Etudes Commerciales de Paris (HEC), Sup'optique, Supélec, Polytechnique and Ensta. Research and Development departments from major French companies also settled in this area during the last decades or more recently because of this « Grand Paris » project : Renault, Alcatel-Lucent, Nokia, Sanofi, Danone, Thalès, Safran, Air Liquide, Colas, EDF and Dassault Systèmes (Veltz, 2020).¹ In his recent essay in which he relates his experience as chief executive of this project (carried out by a dedicated State planning structure, the Etablissement Public de Paris-Saclay) Pierre Veltz mentions the unique and still reinforcing concentration of such important actors of innovation. He moreover describes the very specific French system of higher education, as consolidated in the Post-War Fordian period, both separating the Universities from the Grandes Ecoles and performing poorly when it comes to the percolation between public and private research (Prager, 2014). This overall view is consistent with our diagnosis on innovation in the Paris region, namely the presence of strong resources for innovation but persisting poor results when transforming these resources into economic value-creation. The remaining question is whether overcoming these barriers to innovation – in other words favouring endogenous innovation by favouring these kinds of percolation between

¹ Other universities, *grandes écoles* or public research centres are in the process of joining them and follow this voluntarist planning infrastructure-driven policy : Centrale, the Ecole Normale Supérieure de Cachan (today ENS de Paris-Saclay), Télécom ParisTech, AgroParisTech or the Faculté de pharmacie de Châtenay-Malabry.

universities, *grandes écoles*, public and private research bodies or start-ups – should primarily rely on transport infrastructure and spatial planning.¹ To what extent does spatial proximity in itself – especially when it comes to such large structures – generate interrelations and therefore potentially produce innovations? Answering this question would require research that is beyond the scope of this thesis. Yet this project merited mentioning since on the one hand it is an intrinsic part to the Grand Paris project as carried out by the central government, and on the other because it well illustrates to our view the infrastructure- and supply-driven view of urban development that structures policies and governance in the Paris region.

The evolution, management and financing of a public-public transport project

As related above the Grand Paris Express was and still is the result of purely public-public negotiation, mostly between the central government (through the Société du Grand Paris), the Région Ile-de-France and local authorities concerned by the delivery of the infrastructure and the stations. This purely public-public aspect is not altogether negative since the project has been quickly and increasingly appropriated by local elected officials – mayors and présidents of *départements* – which defended it against political majority changes at national level and the threats of financial disengagement by successive governments (Auzannet, 2018). The experience of the Contrats de Développement Territorial (CDT), created by the first Grand Paris act of June 2010, can also be mentioned. These documents were elaborated by local *intercommunalités* for strategic planning around future train stations and signed with the State (represented by the DRIEA). Fifteen were signed between 2013 and 2015, mostly consisting in ambitious objectives in terms of urban development and sometimes an economic positioning regarding other territories. Even though they were never juridically engaging, and that they were also conceived by the State as a tool for directly contracting with local authorities and thus bypassing the Région, they played a somehow federating role regarding the institutional fragmentation already described.

Nevertheless the uncertain role of the central government on the middle-run appears somehow disturbing for such a project. First of all given the highly technical and risky nature of the infrastructure – digging in very dense areas and within complex geologies, or building

¹ This general description of the project, insisting on the role of voluntarist State planning policies and focusing on the main large actors involved, does of course not encompass the numerous innovative initiatives happening on the Plateau de Saclay thanks to this project (Veltz, 2020). It only aims at describing how and why it relates to the French developmental supply-driven scheme.

underground stations in an already dense undergrounds – such financial risks remain quite concerning. Then because the increase of estimated costs for the whole network and the evolution of its financing illustrate a strategy of planning without paying on behalf of the central government. The cost of such 200 kilometer-long metro with 68 stations (see Appendix p.138 for the whole evolution of the project) was under-estimated as always, and kept increasing : from 20 billion euros in 2011 to 38 in 2018. This while the first sections are only beginning to be built. The State had promised to pay for 4 billion euros but has so far never done so. That is the main paradox of this project. Being largely the result of a central-government will and mostly carried out by a State body – the SGP – it is in fact financed by the sole Paris region.

This funding is based on three mechanisms : the tax on office space (Taxe sur les Bureaux, TSB), created in Ile-de-France in 1999 ; the Taxe Spéciale d'Equipements (TSE), which applies to all planning, construction, reconstruction of enlarging operations (integrated in the Taxe d'Habitation and the Taxe sur le Foncier Bâti) ; the Imposition Forfaitaire sur les Entreprises de Réseau (IFER), which applies to the rolling stock of the RATP and is in practice paid by IDFM. The annual revenues for these three sources are 550 millions euros. This leads the SGP to first supplement these sources by debt and then reimburse it through the growing revenues from these taxes, so that the State first manages to avoid issuing the necessary funds for starting construction.

Yet in 2017 the costs are upwardly revised to 35.1 billion euros (38.5 when including the contribution to the regional plan for transport) and get heavily criticized by the Cour des Comptes. The Prime Minister Edouard Philippe then commissions the député Gilles Carrez for finding new sources for the SGP, without delaying the delivery of the different sections (all details being available in the Appendix p.138). Beyond advocating for larger human resources for the SGP and for the new lines (15 to 18) that are to be placed once delivered under the authority of IDFM for managing the future open-market competition between operators, the essential contribution of his report relates to the resources of the SGP.¹ He estimates the annual additional need to 200 to 250 million euros. Apart from the need in operating phase to transfer the management of train stations to another authority (IDFM or SNCF Gares & Connexions) – which is depicted as an imperious necessity for reaching the objective of total reimbursement in 2070 - given the fact that these costs had been very poorly computed and highly under-

¹ The whole report is publicly accessible at the following [link](#).

estimated – the other financial measures concern additional resources. Some of the propositions for increasing taxes¹ are applied in the 2019 loi de finances, which generates a large discontent amongst local authorities – communes and départements – that sees part of their resources authoritarily affected to the SGP for the construction of the network. The tension deepened when the 2020 loi de finance initially planned on allocating 75 million from the DMTO (normally part of the resources of the départements) to the SGP, provoking opposition by the senators asking the State to finally pay the subsidy promised in 2011. The rest the Grand Paris Express is mostly financed through loans : on the one hand specific ones granted by the Banque Européenne d’Investissement (BEI) and the Caisse des Dépôts et Consignations (CDC) for 3 billion euros ; and on the other loans made by the SGP on financial markets,² making it quite innovative for a State body – usually relying more on public contribution.

Yet uncertainties remain surrounding the evolution of this megaproject, whose costs will most certainly go up during the following years and decades. The question of who will actually pay for it raises the question of who actually conceived it and made the decisions. As previously seen it is very relevant of the French long-term trend of tackling urban development through infrastructure and more generally urban outputs - the supply-side of development. But beyond this statement, private actors were strikingly absent from its conception and negotiation. The project was carried out purely between public authorities and outside official canals such as public concertation.³ This may generate opposition in the future when asking private actors for additional taxes for a project they neither requested or for which they were never consulted. More broadly, it raises the issue of how business-state relations are structured in the Paris region

¹ A 10% increase on the Taxe sur les Bureaux (TSB) on the central zone while including the Taxe on the Surfaces de Stationnement (TASS) for an additional 150 millions euros per year ; increase of the Taxe Spéciale d’Equipeement from 120 to 170 millions euros ; an increase of the IFER for an additional annual 30 million euros ; or a new tool aiming at affecting an additional part of the Taxe de Séjour or the Droit de Mutations à Titre Onéreux (DMTO) – which is computed as a share of the value of a real-estate good in case of a transaction.

² Money-issuing for 3 billion euros and Green Bonds for 1.5 billion euros.

³ Written propositions (*cahiers d’acteurs*) were made during the 2010-2011 public consultation, all accessible in the following [link](#). Many by public actors (groups of elected officials, local authorities, hospitals), associative groups (trade unions, associations, political parties). The contribution of some private actors (Veolia, Eurodisney) or business associations (the Chambre de Commerce et d’Industrie, analyzed further in Chapter 5) can be noted. But nothing as structured as in London as analysed further on. And once again for a public concertation that was not the deciding place.

and the role business plays in its governance. This question arises in the conclusion of this Chapter, especially after comparing this project with the Crossrail case.

3) A public-private negotiation: Crossrail 1

Whether in terms of size and structure Crossrail cannot be compared to the Grand Paris Express. It consists in a radial east-west transport (see Appendix p.139) whereas the Paris project is circular. Each of these project reflects the different spatial schemes of the two cities : circular lines for a very dense and compact Paris, somehow meant to untighten urban growth ; a radial crossing line for a more spread-out London, possibly meant to re-concentrate growth in central areas and namely favour urban regeneration eastwards. Yet this hypothesis in the London case is not as clear because of a dominant consensus on demand-driven developmental schemes. Moreover, though undoubtedly a very large infrastructure investment, it is not financially and technically as large a project as its Paris counterpart : around 20 billion euros (17.8 billion pounds in July 2019) with a delivery in 2021 (three years late as explained later on) against 38 billion euros for GPE, and this in the beginning of its implementation.

This section successively relates the conception of the project, as a public-private negotiation, then describes its correspondingly management and financing, and eventually tries to provide an explanation for its three-year delay.

A high-capacity east-west crossing line supported by business

The issue of the east-western crossing of London harks back to the opening of the Circle Line in 1884. Indeed following the spread-out urbanization of the British capital throughout the late-19th and 20th century the London rail system carries a high number of people from the suburbs, *in* but not *through* the city. The first mention of a rail east-west project through London is traced in the 1974 « London Rail Study » by the Department for Transport, British Airways and the Greater London Council. It describes an important imbalance between jobs and homes in the region forcing commuters to cross the city and its close suburbs every day : mostly through a suburban train – to Paddington for instance for those coming from Reading – then the Underground to reach another London station – Liverpool Street for instance – and then another suburban train. The study then suggests a new infrastructure – prosaically named « cross-rail »

and estimated 300 million pounds – which is not implemented because of the strong economic crisis experienced by the UK all along the 1970s, and since London was losing population to suburban regions back then. The idea resurfaces in 1980 with a new study – *A Cross-London Rail Link* – by British Rail, but does not receive political approbation because of the hostility of Margaret Thatcher towards rail.

It is an accident in 1987 that re-launches Crossrail in 1987 when 31 people are killed because of a fire that started under an escalator in King's Cross station. The inquiry that follows points to drastic under-investments for the improvement of the existing network. The Department for Transport, British Rail and London Regional Transport order a new study which is published in 1989 (*Central London Rail Study*), which supports three projects : a line from Euston, King's Cross and Victoria Station (the future extension of the Jubilee Line) ; an east-south line through Liverpool Street and Victoria (partly what will become the Crossrail 2 project) ; an east-west line through Paddington and Liverpool Street station (the actual Crossrail 1). Despite its weaknesses, and notably an under-estimation of the employment growth to come in East London as the Docklands are being developed, this study provides new credibility for Crossrail.

When the study is published, an important private company – the private developer Olivia & York Company (OYC), which became the owner of the London docklands in 1987 – was especially influential in the support of these propositions. The ongoing regeneration of the docklands in the second half of the 1980s onwards¹ was providing the OYC with an important economic power and a direct interest in these issues. In 1987 the development of Canary Wharf and the commuting needs induced had been met with a minimal lower-cost solution through the creation of the Docklands Light-Railway (DLR), an overground light automatic infrastructure. The DLR enjoyed rapid and significant success but also suffered congestion

¹ As described in Chapter 4 the London docklands have been the heart of London's port and trade economy throughout centuries. The decline of UK as a global colonial empire in the mid-20th century onwards reflected in the decay of the docklands. Having become fallow lands in the 1970s, they were the symbol of the London (and British) economic crisis. After the election of Margaret Thatcher in 1979 they became a political symbol of what she considered the failure of the then Greater London Council, resulting in its abolishment. Their re-development and the rise of Canary Wharf as a new global business services centre, capable of competing with the City of London, was then considered a priority for the Thatcher government and was left to private initiative. This was the first experience of the UDC described in the first section – namely a public-private body created by the central government as an impulse, leaving the structure to deal with the private sector through contracts and partnerships for implementing urban regeneration.

because of the development of Canary Wharf. This opened up the opportunity for OYC, with the publication of the study to argue for the creation of a new infrastructure.

The OYC then prioritises linking Waterloo and Canary Wharf with a new high-capacity line and works for that closely with the London Regional Transport – given that the Greater London Council no longer existed, with the hope of perhaps co-operating the future line with a joint venture. It was really the first time since the Victorian era that the private sector was so much at the heart of an infrastructure project of such scale. OYC mounted an intense lobbying in favor of this project which was to take the form of extending the Jubilee Line. Even though London Regional Transport remains cautious regarding such involvement of foreign private developers in London urban development,¹ the absence of a strategic public vision for London planning and of any other real choice at the time makes the central government give the green light to this project. But the huge technical and financial difficulties of the extension of the Jubilee Line and the quick bankruptcy of the OYC in 1992 eventually stops to whole process.

These elements explain the then reluctance from British MPs and public opinion regarding such megaprojects, and probably (as least partly) the failure of the Crossrail Act in 1994. In parallel of the history of OYC and the extension of the Jubilee Line, London Regional Transport had continued to support this new line crossing London. The decision had been made to prioritize the east-west line – what will become Crossrail 1 – over the north-south version.² In 1989-1990 Margaret Thatcher – just before being replaced by John Major as Prime Minister - had chosen to prioritize this project for two reasons. The first one is that the north-line line was not crossing many conservative boroughs – notably serving Hackney (Wolmar, 2018). The second and decisive one was that the east-west line was serving a high number of business centres and notably the City and Canary Wharf. But the political support by the central government remains cautious, officially but quite discretely supporting the project. First of all because many MPs are not very enthusiastic regarding these megaprojects.³ So is the Treasury,

¹ OYC is based in Toronto. Hence that the main emblematic building of Canary Wharf is called « One Canada Square ».

² In his essay *The Story of Crossrail*, Christian Wolmar relates that the cost-benefit estimations of each project by London Regional Transport engineers – which are always tricky with such projects and lead to an under-estimation of costs and an over-estimation of benefits – were intentionally made to give the exact same results. So that the final decision would be political.

³ The process was one of a private bill in 1991 onwards. This allows public and private organizations to claim for special rights beyond or against common right. It required a vote by a special committee of

highly reluctant to such a megaproject of 2 billion pounds (the then estimation).¹ Eventually because of the experience of the OYC and the induced higher cost for the extension of the Jubilee Line, which had left a very negative impact on public opinion.² Despite the growing political consensus in favour of the project the Commons Committee rejected it in 1994. A petition signed by 280 MPs and the British government asking for re-introducing the Crossrail Act did not change anything, and the priority goes to the extension of the Jubilee Line and the construction of the Channel Tunnel rail link – a new infrastructure allowing high-speed Eurostar trips from the Channel to London. This failure was therefore a combination of a general reluctance for big infrastructure projects – partly because of the OYC experience - and an existing but not extremely voluntarist governmental support.

Having always largely supported the project, London First³ and other public and private bodies representing business – the City of London or the Canary Wharf group further examined in Chapter 5 – were especially disappointed with this decision, since they positively viewed such linking between Heathrow and the main financial centres of London. London Regional Transport nevertheless continues the promotion of the project during the second half of the 1990s. The victory of the Labour Party in 1997 and the reform of London governance – described in the first section – provides a new window of opportunity. Despite rather limited

four MPs in the House of Commons, chaired by Anthony Marlow, the conservative MP for Northampton North who was highly against big infrastructure projects such as this one.

¹ Since the 1989 study and the enthusiasm of London Regional Transport for building the East-West line, the Treasury had used a well-known strategy : commanding additional feasibility studies and hoping that the project step-by-step gets forgotten.

² For the specific case of Crossrail, during parliamentary debates, local citizen oppositions emerged. On the one hand from wealthy Mayfair inhabitants, not very keen on the idea of such a construction next to their homes as well as such projected increase of traffic in Bond Street Stations, and advocating for having the central section further north (through King's Cross). Which is rejected by London Regional Transport. On the other, eastwards, by poorer population from Tower Hamlets, in which the central section of the line is supposed to end and resurface – entailing the destruction of a public park – who advocate for burying not only the Central London section but the Inner London one, increasing the number of stations.

³ London First is part of the business associations that are analyzed in Chapter 5. Created in 1992 at the initiative of Margaret Thatcher in order to structure London business and notably big business, it works under the voluntary financial contribution and membership of private companies. It thus works as a lobbying structure representing and defending the interests of London businesses. As mentioned earlier and further analyzed in Chapter 5, beyond the case of Crossrail, it took part in the political lobbying for re-creating a metropolitan authority for London. Throughout the 1990s it advocated for a light-strategic body with a strong incarnation for London nationwide but also worldwide, and not operational structure highly-administered like the GLC. As already said these recommendations were highly followed by the Labour Government in 1997 onwards.

operational powers as we have seen, the new Mayor of London is conferred important prerogatives regarding transport management and development, through the creation of Transport for London. Nationwide the Labour Government, by creating the Strategic Rail Authority, tries to reform the organisation of the rail nationwide, which is then highly privatized and marked by the bankruptcy of Railtrack in 2001 - the private company in charge of operating the national rail network. The increase of daily users of the London transport network during the first half of the 2000s generates an increasing need for new infrastructure. In his plan Transport 2010 published in 2000, the Vice-Prime Minister John Prescott draws a new strategy at national level in which Crossrail is mentioned three times. A new scenario for delivering these new lines is one of a hybrid public-private financing, to ensure a reasonable reliance on private individual taxes and secure a governmental support, showing that the failures of the 1990s were well remembered. The Strategic Rail Authority and Transport for London, through a new body Cross London Rail Links (CLRL), are supposed to build an exhaustive case for the delivery of Crossrail.

The case is delivered in 2003. This new version extends the project beyond Central London, even though the idea of linking its key business-centres remain, as well as of the connection with Heathrow that was strongly defended by the City of London. It is notably visible eastwards, where Crossrail in this version reaches Ebbsfleet. The main remaining issue¹ is funding. The then estimated cost of the project is 7 billion pounds. Alistair Darling, Minister for Transport, is quite reluctant to cover such sum for the sole London region, all the more so that he shows quite little confidence in these kinds of cost-benefit estimates provided by the CLRL² He then launches a public consultation and asks for a dedicated study on funding to Adrian Montague, a British business man who was then the President of British Energy – today EDF Energy. He first re-evaluates the project (10 billion pounds) and decreases the number of trains (20 to 22 per hour instead of 24). His other main modification is the replacement of the South-West branch to Richmond and Kingston with a Western extension to Reading. Last but not least, he is asked to come up with new funding from the private sector. This point, key for

¹ Another important issue is related to the fact that Crossrail is supposed to use the existing infrastructure and the tunnel linking East and West London. However the privatization of the British rail system had led to splitting the operation of the lines across multiple actors, since Railtrack was only managing the infrastructure. Which meant that operating Crossrail would require coordination between multiple companies. But this issue is then seen as technical but not unsolvable.

² At that very time the effective cost of the extension of the Jubilee Line keeps increasing, to finally exceed the original forecast by 85%.

the delivery of the project, is addressed in the second section. At this point it clearly appears that the constant support of the project throughout the 1990s and 2000s, at many points in time where it could have been definitely abandoned, made a clear difference. Especially in the form of a public-private deal on funding.

These modifications in 2004 indeed resulted in a growing consensus on the project. First of all from Prime Minister Tony Blair, in spite of the unsurprising reluctance of the Treasury as well as Alistair Darling. Then by the Londoners thanks to the success of the public consultation, at a time when the transport system is increasingly congested and the extension of the Jubilee Line keeps being delayed. The 2005 bill introduced some modifications in the project while extending its capacity.¹ The revised cost becomes 11.3 billion pounds. Tony McNulty, having replaced Alistair Darling as Minister for Transport, highly insists on the « national rather than local » dimension of the project for convincing the Parliament. The failure of 1994 leads to the choice of a hybrid bill process rather than a private bill one. This means that the consulted parliamentary committee cannot make a decision concerning the principle of the bill. All this is followed by a long phase of public consultations from January to July 2006, in which the strong interest of Londoners for the project is confirmed : 457 petitions from companies and private individuals are made, with 205 of them having been examined by the Parliament and having led to slight modifications. The process is repeated at the House of Lords from January to May 2008. The final approval of the project occurs in 2008 with the vote of the Crossrail Act, by which the CLRL becomes Crossrail Limited and property of Transport for London, even though it is managed through a partnership with the Department for Transport.

This first story of Crossrail is thus highly relevant in two respects. First : it is not based on the same French narrative of infrastructure- and supply-driven development. Despite another version sometimes being told on its priority role for the urban regeneration of East London, its main purpose is to link existing business centres for responding to existing needs for directly

¹ The Western terminal station is moved from Reading to Maidenhead. The new line henceforth accounts for 46 kilometers of tunnel – which are then reduced to 42 – with an average depth of 20 to 25 meters. The central tunnel henceforth has three entries : Royal Oak westwards, Plumstead for the South-East branch which crosses the Thames until Abbey Wood, and Pulling Mill Lane eastwards. As compared to the 1994 project, the overall capacity is increased – 24 train per hour with 200 meter-long trains, namely a projected increase of the total capacity of the London metro of 7% - so that the infrastructure can receive 160 000 passengers everyday in rush hour. Let us not forget though that, as stated in the first part of this section, the Paris transport system relies on a more limited number of lines with a very high capacity. These 160,000 estimated passengers in this more ambitious version, is still far from the European record of the RER A : 290 000 passengers in rush hour.

crossing the capital and commuting between job centers. The structuring developmental scheme and narrative is that transport should respond to the needs induced by development. This is the opposite of Grand Paris Express, which aims at promoting a multipolarity of the Paris region – (thus far much more cartographic than real) – and induce local and urban development through the supposedly structuring role of transport. One could argue that La Défense is an important job-centre of the Paris region. Yet on the one hand, unlike Canary Wharf, it was not developed through the mobilization of business and has always been seen by the central government as a key development of national importance. On the other this business centre is far from being central in the Grand Paris Express network.¹ The Line 15 will serve it but the arrival of Line 16 and especially Line 18 – its second section between Versailles and Nanterre – were postponed until after 2030.²

Second : it has been supported by business all along, especially the City Corporation of London and London First. Given the long and difficult political history of Crossrail related here, such lobbying was key for finally launching of the project. This strongly reflects in the funding of Crossrail which is, - as developed now - the product of a public-private deal. Secured before and thus as a condition for the final political 2008 green light.

Public-private negotiated funding but technical delays

The final acceptance of Crossrail is largely due to a rather secured funding in 2004 onwards. The Montague report in 2004, previously mentioned, relied on two financing mechanisms. Classic ones : European funds (rapidly abandoned), increase of fares on all the London transport network (highly unpopular) and public debt (seen as unsustainable even in the short-run given such high level of investments). Other « alternative » ones : increase of the

¹ The major node undoubtedly being Saint-Denis Pleyel.

² Even though predictions should be made cautiously, it seems highly probable that these two sections will be never be delivered. The global cost of the Grand Paris Express in 2030 will be way higher than expected and the concessions for the part of the network then delivered will have started. The state of exasperation of the London City Hall and population regarding the successive delays, that are described below, will probably be the same in the Région Ile-de-France. The time will probably be the one of a pause in mass-infrastructure and the tolerance regarding negative externalities of construction works will be low. Justifying new investments will probably be politically extremely difficult. As for the second section of the Line 18, it is highly (hopefully) probable that the existing lines from Versailles to Paris and to La Défense will be considered sufficient. The royal capital already sheltering four stations (Versailles Rive Droite, Versailles-Château, Versailles-Chantiers, Porchefontaine), served by four suburban lines (C, L, N and U), this in spite of its questionable strategic dimension as an economic centre of the region with priority mobility issues.

value-added tax on real-estate properties, new mechanism for capturing the added-value of future urban projects around Crossrail stations, and increase of the business rate. These propositions were not all considered in the 2008 Crossrail Act, which remained rather vague with respect to funding issues. Yet the Montaigne report and most British political figures unanimously considered that the private sector should contribute as much as possible to the project. This was highly justified by the nature of the project as stated above.

There are two ways for firms to contribute to a public project : through a direct contribution (donation) or indirectly through tax increase. It is the second one that was especially developed just like in Paris: the Business Rate Supplement (BRS) and the Community Infrastructure Levy (CIL). London First played an important role in supporting the idea of the BRS (for a then estimated total of 3 billion pounds) towards business – in this case its own members. Some companies of the City even advocated for a 2 to 3% increase with the City Corporation. The 2008 financial crisis however led the companies of the City Corporation to diminish their direct contributions. Eventually the absence of tax deduction for directly contributing companies led the City Corporation to fully finance the amount originally promised by its members in the form of donations. The BRS was implemented in 2010 and allowed the levy of 218.5 million pounds in 2010-2011. In April 2017 it is modified and henceforth only applies to 15% of commercial occupations. As for the CIL it consists in taxing private developers on their new constructions – at various levels given the location and the value of the given project. It still allows Crossrail to partly carry out land-value capture, with the objective settled in 2017 to attain 600 million pounds. Thus the initial 2008 funding structure of Crossrail relied mostly on public contributions but financed by taxation on the private sector, mostly London business. Other donations by big business step-by-step decreased with the 2008 crisis to only represent 2% of the final cost of the project.

The cross-public-private implication overall remained key in this post-2008 delivery phase. Each one of them supporting the project towards their respective interlocutors : businesses for the City Corporation or London First, and the State for the GLA. This ultimately provided the project with solid funding and a strong support base. Indeed when in January 2010, shortly before the implementation of the BRS, the Crossrail Comprehensive Spending Review re-estimated the total cost of the project to 14.8 billion pounds, entailing a strong discontent on behalf of the transport committee of the London Assembly, the project carried on thanks to an important and very active network of supports : public representatives and lobbyists, capable

of convincing a wide range of public and private actors involved in its implementation. It is this very dense network of actors – both elected officials from different parties (Ken Livonstone, Boris Jonhson, Sadiq Khan) and private actors from various industries (private development or construction) - that ultimately allowed the project to happen despite the structural British reluctance for infrastructure mass-investment.

Soon after the beginning of the construction of the Canary Wharf station the first procurement contracts are signed. From 2012 to 2015 8 drills dug through the London underground. Important demolition are carried out for building the entry of the tunnels and new stations, which are larger than the usual ones in London, as for renovating existing stations. In 2018 and 2019 two new assessments increase the total cost of the project to 17.6 and 17.8 billion pounds, bringing Crossrail Limited to look for additional funding. In July 2019 this leads to the figures available in the Appendix (p.140). Interestingly, unlike in Ile-de-France, the central government via the Department for Transport remains the largest funding source for Crossrail. In other words the support of the project all along the process, including the promotion of the BRS, leading to the bottom-up construction of a public-private coalition, ultimately leads to a significantly higher contribution to the project by the central government than in the Paris case. Indeed the remaining paradox of the Grand Paris Express is that it is not financed by the central government - and indirectly by the whole country – but exclusively by inhabitants and businesses of the Paris region. This despite the fact that it was largely conceived and promoted by the central government with constant negotiation with local authorities and a deal with the Région Ile-de-France on including Arc Express, but without any involvement of inhabitants and businesses in its conception.¹

The picture though would not be complete without mentioning the three-year delay of the delivery of the infrastructure. In 2010 the Comprehensive Spending Review and the events that followed had postponed the opening of the central tunnel of Crossrail to the (curiously precise) date of December 9th, 2018. In June 2015 the overground section between Liverpool Street and Shenfield (North-East branch), operated by the company Abellio Greater Anglia, is taken by MTR Crossrail which starts to operate it under the brand TfL Rail. The same occurs in May 2018 between Paddington and Heathrow, the service Heathrow Connect disappearing and being

¹ As often the case, the 2010-2011 public debate, despite its unquestionable success in terms of public interest and the fact that it raised the awareness on the necessity of improving the existing network, had no impact on the design of the Grand Paris Express.

replaced by the purple trains of TfL Rail. In the late 2019 and early 2020, all the Western part of the line (until Reading) step-by-step opens under the same TfL Rail brand, which henceforth gathers two overground branches – eastwards and westwards – that await being connected by the section. But at the same time the central branch has known nothing but delays. Four months before the important date of December 9th, 2018, Crossrail announces a first delay and an opening in Autumn 2019, which does not alarm the GLA given the frequency of such events in big infrastructure projects. Yet the tone radically changes in early 2019. In April Transport for London announces a progressive opening of the central tunnel between October 2020 and March 2021. As for Bond Street station, facing considerable delays, it would open even later. The London Assembly then asks for the resignation of the Director of Transport for London, Mike Brown, who is accused of having intentionally lied about the opening dates. In late 2019 additional delays are announced with a global opening late 2021, meaning three years after the original forecast and a new increase of the total costs – 18.2 billion pounds.

As asserted by Bent Flyvberg megaprojects are characterized by an « *optimism bias* » when it comes to estimating delays, costs, risks and effects (Flyvberg, 2014, p. 11). He estimates that 90% of megaprojects display higher costs than expected, and very often of more than 50% for both public and private initiatives, and that 90% are delivered with delays. Overall, according to his quantitative work on megaproject, one out of a thousand project was delivered with neither delays nor overcosts, and with benefits corresponding to the original estimates. Thus in the Crossrail case the total absence of new phasing or revised costs between 2010 and 2018 is all the more striking. Which could have appeared as a force of British engineering eventually epitomises a colossal error of judgment on behalf of Crossrail Limited. Politically speaking it seems easier to announce a three-year delay – once again extremely common in such projects - for a project supposedly delivered in 10 years than to reveal a two-year delay a few months before its opening. More deeply it raises specific governance questions when it comes to such mass-projects : because of huge amounts of money and important responsibilities, with important political implications, given to dedicated bodies created ex nihilo that sometimes tending somehow to become « a State within the State ». The small SGP – in its pre-Carrez report version – accounting for 280 FTEs and in charge of a 38 billion-euro project was very reluctant to the modifications asked by the then Prime Minister Jean-Marc

Ayrault,¹ that-is-to-say its own silent partner. The same scheme applies to Crossrail, a 100% subsidiary of Transport for London, accused of lying to the Mayor of London.

To conclude, even though the direct comparison between both projects is impossible since the Paris one is just at its beginning, the performance of the London (British) system seems to compare unfavorably on the straightforward production of major technical infrastructure, an area where the French system excels. The French infrastructure- and supply-driven developmental scheme reflects an overall educational, political and economic system strongly based on high-skill engineers and historically powerful construction firms – Bouygues, Eiffage and Vinci. As mentioned before when describing the respective French and British planning systems, the private development industry is very oligopolistic in London – with 7 to 8 main companies accounting for around 80% of the market – while the Paris one is more fragmented : with some large companies but a myriad of small ones living on very local markets in mirror of the institutional fragmentation of the French communes. When it comes to construction it is the exact opposite. Many interviews in London with public and private actors confirmed the highly-fragmented and poorly-skilled British construction sector, as opposed to the oligopolistic nature of this industry in France. Beyond the sole role of these companies in the delivery of the Grand Paris Express, all this in France relates to a larger culture of *grands corps* and highly-skilled engineers that irrigates the French society and arguably makes it better-performing when it comes to technically delivering big infrastructure. But once again, this still leaves the question of how and by whom a given project is conceived and promoted, in a more or less collective and negotiated way, and thus of the pre-supposed conception of development that it carries. In this respect this comparative case study appears as highly relevant of two very different schemes and narratives, and invites us to further investigate each system of public-private interrelations.

¹ The decrease of the size of Line 18, which is finally adopted, or the proposition to use the existing OrlyVAL, which was not retained.

Conclusion for Chapter 3

Each system of interrelations relates to a different narrative on urban development: supply-driven (Paris) and demand-driven (London)

The use of « urban outputs » (elements of the built environment) are considered in my analytical model to be intermediate variables, generated by governance structures, and having consequences in terms of metropolitan spatial and economic dynamics.

I have shown in this chapter that the London system of interrelations is built on a demand-driven conception of urban development, where housing, commercial real estate, transport provision and big infrastructure are conceived as issues induced by metropolitan dynamics. This reflects a streamlined formal institutional system based on permanent public-private partnerships and bottom-up negotiations with the central government. The system probably performs less well than its French equivalent when it comes to technically delivering big infrastructure projects, but arguably does better when it comes to collectively conceiving and negotiating such projects, resulting in a larger and even nationwide consensus and funding. In the British context compared to the French one, business interests are more influential, through well-structured representative bodies.

Conversely the Paris system of interrelations is based on a strongly anchored supply-driven conception of metropolitan dynamics. Despite forty years of administrative reforms the French system is in fact more diluted and fragmented than really decentralized. This is in addition to being highly structured by national welfare policies that shape the development of all of France's regions. In the final analysis the French system remains centralized. This centralization is especially strong within the Paris region, even though formal institutional fragmentation has attained unprecedented levels, where the central State keeps a prominent role by being able to override local divisions. As developed in this Chapter this supply-driven narrative is expressed in a transit-oriented conception of development and embodied in voluntarist, top-down and stop-and-go development policies on behalf of the State in the Grand Paris project. Horizontal public-private (not to say public-public) interactions are largely absent from the French system in contrast to the UK. The French system then has a feedback loop, as

it contributes to maintaining and reproducing supply-driven views and beliefs on development that are deeply anchored in the *grand corps* and their educational processes and in conventional wisdom of the role of the State in urban development more generally in French society. This is the case even though these viewpoints are not backed by rigorous empirical evidence, as shown in the comparative statistical analysis in Chapter 2.

I can tentatively conclude, at this point in the analysis, that weak public-private interrelations at metropolitan level in Paris contribute to its economic weaknesses. This conclusion, however, is excluded by the collective conventional wisdom which generally calls for more of the same sort of State intervention to respond to any problem. As part of this narrative the demand-side of urban development (specialization, employment, productivity, migration), tends to be underestimated by both experts and the wider chattering classes.

In what follows, I further explore the origins and the nature of these different and seemingly unequal interrelations between public (local and national) and private interests in both capital regions. From a historical perspective (Chapter 4) and then a contemporary assessment (Chapter 5).

Chapter 4 (A history of two urban relational systems)

*« Whereas in France the communes support the king, expression of the State, against feudal lords, in England they ally themselves with feudal lords against the king. This struggle of the individual against the State is the whole history of England, of its liberalism; it is also the whole history of London (...). When in 1215, the barons obtained the Magna Carta, a special paragraph renewed the privileges of the bourgeois. Thus already appeared these intricate links between merchants and lords, so characteristic of the whole history of London, and which make of the English aristocracy a class not only warlike or decorative, but almost involved in the life of the country and allied with the bourgeoisie, but which will no longer have the blood purity of the German aristocracy ».*¹

Paul Morand, *Londres*

The previous chapter has presented an organisational view of governance in the two metropolitan areas, highlighting differences in both the presence of the central government as compared to local and metropolitan decentralized public authorities, and the existence of structured business associations. But so far this remained a relatively static organisational comparison on the way in which urban policies and infrastructure are delivered, while cities as systems of interrelations are shaped by more complex “*forms of order: markets, formal organizations, rules, informal routines, and human relationships*” (Storper et al., 2015, p. 169), that the authors qualify as the “*relational infrastructure of regions*”. The hypothesis I want to explore in this thesis relates to the role of this relational infrastructure of big business leaders, and its consequence in the different “economic governance” of each city, in the metropolitan dynamics of our two regions. It is tackled in Chapter 5 through a comparative assessment. Yet it first requires a contextual and historical framework. The object of the thesis is two capital cities of two neighbour yet different countries, head of two primate urban systems but both heart and mirror of two different States and institutional systems. In this respect the

¹ This quote is translated from the French original text : « *Tandis qu'en France les communes prêtent au roi, expression de l'Etat, leur appui contre les féodaux, en Angleterre elles s'allient aux féodaux contre le roi. Cette lutte de l'individu contre l'Etat, c'est toute l'histoire de l'Angleterre, de son Parlement, de son libéralisme ; c'est aussi toute l'histoire de Londres (...). Lorsqu'en 1215, les barons auront obtenu la Magna Carta, un paragraphe spécial renouvellera le privilège des bourgeois. Ainsi apparaissent déjà ces rapports étroits entre marchands et nobles, si caractéristiques de toute l'histoire de Londres, et qui font de l'aristocratie anglaise une classe non pas uniquement guerrière ou décorative, mais pratiquement mêlée à la vie du pays et alliée à la bourgeoisie, mais qui n'aura plus jamais la pureté de sang de la noblesse germanique* ».

contemporary analysis of relational infrastructure of business leaders in the two regions is strongly determined by long-term historical processes that this Chapter aims at identifying.

This parallel history of the two cities especially focuses on the compared relationship between three different blocks: the central government, being monarchic or republican, local public powers, and urban economic elites and organizations. Such segmentation is necessarily schematic. First of all because these blocks are not necessarily clearly separated – for instance an aristocrat can be both part of the economic elite of the city while assuming a political function in either municipal or central government bodies. Then because their respective unity in history is highly questionable. Is a “bourgeois” in Middle-Ages Paris comparable to a “bourgeois” of the Industrial Revolution, both in the position occupied in production processes and urban economies as well as in sociocultural terms – juridical and political status, class-consciousness or social prestige? Probably not.

This is why the least biased way of tackling this parallel and comparative history, and hopefully prevent ourselves from anachronisms, is by successive chronological blocks. First of all Medieval Times (A), in which U will insist on the necessity for harking back until the 11th and 12th centuries, which marked in both cases a starting point for the construction of central monarchic powers in France and the UK, through contemporary but different development of their capital cities. Then Modern Times (B), namely from the Renaissance to the beginning of the Industrial Revolution – the mid-18th century in England and the first half of the 19th century in France – when the centralization and consolidation of both central powers reached a new level but also durably took different directions, entailing different relational schemes between these powers and their capital cities as well as within these capital cities. Then the Industrial Revolution (C), which occurred differently and at different scales in the two countries, relying differently on both capital cities and thus entailing different relationships between old and new economic powers to both metropolitan areas that were growing quickly back then. Eventually Contemporary Times (D), namely most of the twentieth century during which the two cities were the object of voluntary planning policies and important institutional reforms at the same time (mid-1960s), which eventually led them to different directions in institutional terms.¹

¹ In chronological terms this Chapter stops in the late 1970s and the early 1980s, respectively before the Thatcherian reforms and the end of the Greater London Council (1986) in the UK, and before the beginning of the administrative decentralization in France (Defferre laws in 1982-1983).

Each of these blocks and parts of the Chapter are structured similarly in three sub-parts. The first one draws a parallel history of the urban and socioeconomic situation and evolution of the two cities on the given time frame. The second one analyses the construction and the evolution of the central government and its urban impact and relationship to the capital city. Eventually the third part analyses the emergence and organization of local powers, being institutional and/or economic, and their relationship to the central government. The urban and political history on the one hand, and the historical relational scheme between central, local and economic powers on the other, are in strong permanent interrelations, just as causality is always circular when it comes to comparative urban analysis. Causal identification in such approach is impossible and inevitably leads to a classic error in the historical discipline: teleology, namely the act of narrating history by knowing the end and presupposing that everything was meant to reach it.¹

The aim of this chapter is simply to highlight path dependencies. First used in economics in the 1980s by Paul David² the concept of “path dependence” is then brought to social and political science by Paul Pierson and becomes commonly referred to – more often than clearly defined – as the assertion that “history matters”. As Paul Pierson notes the use of the concept oscillates between a broader and a narrower version (Pierson, 2000). The broader version refers to the simple idea that “*what happened at an earlier point in time will affect the possible outcomes of a sequence of events occurring at a later point in time*”.³ The implicit claim here relates to the fact that understanding any social variable implies depicting how it got where it is (the path it took) but with no particular assessment on how easy it is for it to take another path. Unlike a narrower version of the concept, linked to the idea of “*increasing returns*”, which suggests that “*preceding steps in a particular direction induce further movements in the same direction*” (Pierson, 2000, p. 252). Not in a necessary and determinist way, but because at a certain step the same choices presented to two different contexts differ in terms of costs and benefits because of history. As Margaret Levi rightly pinpoints “*path dependence has to mean, if it is to mean anything, that once a country or region has started down a track, the costs of*

¹ In philosophical terms this doctrine, qualified as finalism, is brilliantly criticized by Spinoza in the First Book of his *Ethics* in which he ponders the finalist illusion or illusion of final causes.

² For whom it “*refers to a property of contingent, non-reversible dynamical processes, including a wide array of biological and social process that can properly be described as “evolutionary”*” (David, 2000, p. 1).

³ This definition used by William Sewell in 1996 is quoted by Paul Pierson (Pierson, 2000, p. 252).

reversal are very high. There will be other choice points, but the entrenchments of certain institutional arrangements obstruct an easy reversal of the initial choice”(Levi, 1997, p. 28). Using this narrower version of the concept, this Chapter will try to highlight path dependencies of the two cities regarding the relational infrastructure of central, local and economic powers. But never by implying that the two cities at different points of their history could not have taken different paths.

Hence that this is not a chapter of history. More a historical chapter, whose essence relates to a personal conviction that long-term history plays a structuring role when it comes to understanding nowadays systems of interrelations within cities. The exercise is tricky and almost impossible if historical methodology from a scientific point of view is the evaluation criteria. It has been done by relying on as much historiography as possible, knowing that in the end the result would resemble more a general narration rather than a work of historical science. May the purists of the discipline forgive the author in advance.

A - Capital cities in the construction of Medieval political and economic stability (11th-15th century)

1) From Roman settlements to Medieval capital cities

Favourable geographical configurations for two Roman settlements

Both cities were born across the meander of a river in favourable and rather comparable geographical configurations. Paris lies at the heart of natural crossroads. North of the Seine lies a large swamp (the Marais) which is surrounded by a chain of hills between 70 to 130 meters high¹ and between which lie two narrow valleys (Montceau and La Chapelle passes). The right rim of the Prehistoric Seine used to shape an array of small islands on which populations early sheltered (île Louviers, île aux Vaches, île Notre-Dame or Ile de la Cité). On the south bank of the river, the Sainte-Geneviève hill – around 65 meters high - played a similar protective role (Combeau, 1999, p. 5). The underground of the sedimentary basin – brick-earth, limestone sand and gyps – and the surrounding forests allowed early constructions and trade throughout the

¹ Today they are named Chaillot, Montmartre (the higher point at 129 meters), Belleville, Ménilmontant or Charonne.

Seine and its affluent rivers. During the 3th century BC, the Celtic tribe of the *Parisii* – after which the city was later named – settle on the Ile de la Cité, create an *oppidum* and found *Lucoficia* (Lutetia). A first bridge links the two sides of the river and the Ile de la Cité durably becomes the urban and political centre of the city. Benefitting from their strategic location on the trade axis from the Mediterranean Sea to the British Isles, the *Parisii* live on both river and road trade by levying taxes on and under the bridge. The corporation of the Nauts (boatmen) already plays a significant role in the economic and political life of the city and the existence of a dedicated high-quality currency (a golden stater) epitomises the independence and economic activity of the city before the Roman conquest (Favier, 1997, p. 22).

London was also born across the meander of a river, with twin smaller hills on its northern bank – between 12 and 15 meters – which were covered by brick-earth and gravel with sedge and willow all around. Peter Ackroyd magnificently describes the geographical advantages of the location: “*The hills were well defended, forming a natural plateau, with the river to the south, fens to the north, marshes to the east, and another river, later known as the Fleet, to the west. It was fertile ground, well watered by springs bubbling up through the gravel. The Thames was easily navigable at this point, with the Fleet and the Walbrook providing natural harbours. The ancient trackways of England were also close at hand. So from earliest time London was the most appropriate site for trade, for markets, and for barter. The City has for much of its history been the centre of world commerce; it is perhaps instructive to note that it may have begun with the transactions of the Stone Age people in their own markets*” (Ackroyd, 2000, p. 11). Mainly for geological reasons urbanization almost exclusively happened on the northern bank of the Thames until the 19th century, the southern one being marshy and liable to flooding. Yet not much is known about the human settlements prior to the Roman conquest and most of the general histories of the British capital begins the story with the Roman foundation of 48 AD.¹

Indeed the Roman conquest transformed both cities and their wider territorial configuration. Cesar’s failure conquering Britany and his will for submitting the Carnutes and

¹ The name « London », while remaining mysterious, is probably of Celtic origins. “*It might be derived from Llyn-don, the town of stronghold (don) by the lake or stream (Llyn); but this owes more to medieval Welsh than ancient Celtic. Its provenance might be Laindon, “long hill”, or the Gaelic luund, “marsh”. One of the most intriguing speculations, given the reputation for violence that which Londoners were later to acquire, is that the name is derived from the Celtic adjective londos meaning “fierce”* (Ackroyd, 2000, pp. 10–11).

the Senones lead him, well aware of its strategic position of the city, to transfer the Assembly of the People of Gaul in the Paris region in 53 BC (probably between Lutetia and Saint-Denis). However the city allies the Arverni leader Vercingetorix in the following year and is mostly burnt and destroyed by the Romans during the Battle of Lutetia. It is rebuilt according to the Roman urban scheme with an orthogonal shape (see Appendix p.142): the *cardo* (north-south) constitutes the main axis linking the two banks of the Seine - with a secondary one which today corresponds to the Boulevard Saint-Michel - and the *decumanus* (east-west).¹ The Romans mostly develop the southern bank of the city, which was more protected from the flood.² Under the *Pax Romana* the city largely opens to regional trade with developing neighbourhood villages – today Pontoise, Rouen, Senlis, Soissons, Melun, Sens, Orléans, Chartres or Dreux - through new cobbled roads, prefiguring a centralisation but at purely regional level back then. Indeed Lutetia does not occupy a central position in the Roman administration of the Gaul, which was mainly centred on the conquest of Germany.³ It was considered as a bridge-city offering an easy cross of the river and a break-bulk between river and road networks (Busson, 2019, p. 38). The main commercial road of the city, which reaches 6,000 people under the High Empire, and the basis of its prosperity remains the Seine, as shown by the power gained by the *nautae Parisiaci* (boatmen).⁴

Unlike Lutecia, *Londinium* is originally conceived by the Romans, in the mid-1st century AD, as the centre of the road network administering the newly conquered Province of Britannia and as the main commercial port interface with the whole Empire (Ross & Clark, 2012, pp. 32–37). The same orthogonal urban scheme is applied (Appendix p.142): the main axis is an east-west street built at the exact location of the present City of London, reaching an amphitheatre that stood under nowadays' Guildhall, while the secondary north-south axis links it to the southern bank of the Thames by a pontoon bridge – very close to the present London bridge.

¹ Even though the true functional *decumanus* remains the Seine (Favier, 1997, p. 164).

² Most archeologic legacies of the Roman occupation are found in the « Latin corner » like the “Arènes de Lutèce” and the *thermae* (the present Museum of Cluny).

³ For the Romans the main centrality in Gaul is clearly Lyon (*Lugdunum*) (Favier, 1997, p. 259). Its still-used nickname “Capital of Gaul” dates back to these times.

⁴ As a sign of their wealth the guild largely adopted the Greek and Roman practices of euergetism, which left to private initiatives the financing of building and the management of some public facilities. The most famous example was the Pillar of the Boatmen (“Pilier des Nautes”) in honour of Jupiter that they offered to the Roman Empire Tiberius (14-37) and which was found under Notre-Dame in 1711 and is today exposed in the *frigidarium* of the Museum of Cluny.

The city already reaches 30,000 inhabitants at the end of the 1st century: “*soldiers, and merchants, and businessmen, artisans and artists, Celts and Romans, all mingled together*” (Ackroyd, 2000, p. 26). In his *Annals* the Roman historian Tacitus then describes London as filled with *negociatores*, which not only designate merchants but also “*men of negotium, business and negotiation (...) [which] can be described as traders and brokers. Thus the line of continuity – it might also be called the line of harmony – can still be traced. The shiny buildings which now stand upon the Roman wall contain brokers and dealers who are the descendants, direct or indirect, of those who came to London in the first century. The City has always been established upon the imperatives of money and trade. That is why the headquarters of the procurator, the high Roman official who controlled the finances of the province were erected there*” (Ackroyd, 2000, p. 24). Though protected by giant walls built during the 3rd century, the city then experiences different cycles of development and decay, marked by fire and plague but mostly directly dependent from the global military and economic situation of the Roman Empire. After the sack of Rome by the Visigoths in 410 Rome tightens its grasp but also withdraws its protection of London and the whole province.

Thus, while presenting rather similar geographical configurations regarding their direct environment, Paris and London exhibit unequal economic centrality under the Roman conquest and occupation. While London already played a role of economic and political interface between the whole province of Britannia and the wider Roman Empire – that will reach its heyday later on under the reign of Queen Victoria in the 19th century – Paris never was at the heart of the Roman organization of the Gaul. Its rise as a capital and hence the concentration of economic and political strategic functions will only occur in mirror of the early beginning of State construction in late Middle Ages.

The Capetian construction and the Norman conquest: the new development of two capital cities

Because of their different centrality in the Roman system, both cities were differently affected by the fall of the Empire in the late 5th century. Paris is then conquered by the Franks and becomes the capital city of the Merovingian Empire and the subject of political rivalries between the four sons of Clovis, but politically declines at the end of the 7th century onwards. It is henceforth a secondary city under the Carolingians,¹ until it is chosen by the Capetians as

¹ Charlemagne chooses Aix-la-Chapelle for his main residence.

the capital city in the late 10th century. Paris is of course chosen partly for the easy convergence of communication axes – especially rivers – but mostly for political reasons, as it then sheltered numerous monarchic symbols¹ (Duby & Lobrichon, 2008, p. 9; Favier, 1997, p. 267).² Because of its prominence as the administrative and economic articulation between the Empire and the whole province of Britannia, London especially suffered from the decay of Rome and was partly abandoned until taken by the Saxons in the early 7th century.³ They establish a new trading post beyond the western walls along the Strand under the present West End: Lundenwic.

The Norman invasions paradoxically revive both cities. In Paris the successive invasions through the Seine along the 9th century lead to many destructions and pillages, but also reinforces the prestige of the city and its resistance to foreign invaders as well as contribution to the integrity of the kingdom. The attacks on London at the same time, mostly the fact of Danes, accelerate the federation of various Anglo-Saxon kingdoms under the House of Wessex, and lead to the surrounding of the old and left roman town – whose walls are restored – and to the decay of Lundenwic.⁴ King Alfred re-creates a city in the old Londinium,⁵ with no reference to the old Roman orthogonal shape (Ross & Clark, 2012, p. 56). After 26 years of occupation of London and all Britain, the Danes are definitively defeated and an Anglo-Saxon king Edward the Confessor rules in 1042 onwards.

Both monarchic dynasties bring considerable new development for the two cities but also engage them in different directions. Despite its new status of capital city of the Capetian kingdom,⁶ Paris remains profoundly affected by Norman invasions and is then shrunk on the

¹ On the one hand Clovis was buried on the Montagne Sainte-Geneviève, the first king to have been baptised and with whom the Capetian king claimed a legacy. On the other hand the abbey of Saint-Denis, where the martyr Denis rested and around him the monarchs of the three successive dynasties, was close.

² The French historian Jean Favier even regrets that these political considerations durably hid the fact that Paris is an “*exposed capital*”[“*capitale à découvert*”], very hard to defend, as illustrated centuries later by the presence of foreign armies in 1814, 1870 and 1914. At that time the Paris site is still defensible but no one really anticipates the future position it will take with its urban growth (Favier, 1997, p. 267).

³ The presence of the Saxons in the land of Britain was dated to the beginning of the 5th century (Ackroyd, 2000, p. 29).

⁴ The name « Aldwych » today refers to the “old city”.

⁵ A fortification against the Vikings is built on the southern bank of the Thames: this “*south work*” would then give the name Southwark to the area (Bourgne et al., 2018, p. 27).

⁶ The use of the term “capital” city is admittedly a little bit excessive before the late Middle-Ages (14th and 15th century) when the courts become increasingly sedentary (Genet, 2005b, p. 156).

Ile de la Cité. In the 11th century onwards a new quick development occurs on the northern bank, where boats can more easily come alongside. The river trade develops again - coal, wine, wood, salt and grain get to the city - and gives birth to the powerful guild of water merchants in the early 12th century that plays an important role in the history of the city (Combeau, 1999, pp. 19–20). The reign of Philippe Auguste (1180-1223) marks an acceleration of the urban development of Paris, which then ceases to be a simple crossroads to become a centrality. The edification of the protective wall, that the monarch orders the bourgeois of Paris to build in 1190, favours the economic development of the city even though in itself it has never really been used (Hayot, 2018, pp. 45–52). Beyond some specific monumental edifications mentioned in the next part and the personal interest of Philippe Auguste for its urban development,¹ Paris welcomes a university² and in many ways benefits from the construction of the State and its sovereign courts which therein settle: Parliament in the 13th century, Chambre des Comptes, Cour des Monnaies, Cour du Trésor and Cour des Aides in the 14th and 15th centuries (Bove & Gauvard, 2014, p. 9). The French historians Claude Gauvard and Boris Bove describe a city that back then cumulates economic, religious, intellectual, curial and political functions, which is then unique in Europe. In the early 14th century Paris is by far the most populated city in Western Europe, sheltering between 210,000 and 270,000 inhabitants on only 415 hectares – and seemingly closer to the upper proxy. A situation all the more remarkable in a weakly urbanized kingdom – around 15% in the end of Middle-Ages (Bove & Gauvard, 2014, pp. 7–9). The impressive development of Paris in the 12th-13th centuries onwards³ is quickly constrained by the walls of Philippe Auguste and its narrow doors. The Hundred Years' War (1328-1453) leads King Charles V in 1365 to build a new wall on the right bank a little bit further north, which is achieved by Charles VI in 1395 (see the reconstitution of Paris under Charles V in the Appendix p.143).

¹ The monarch for instance transfers his treasure and his archives in the early 13th century (Bove & Gauvard, 2014, p. 9).

² The famous Sorbonne created by Robert de Sorbon in 1257 and the Latin Corner quickly develops throughout the second part of 13th century on the southern bank to reach 10,000 students.

³ Historians have stated that this demographic growth was then also largely the product of immigration from the whole region and especially Normandy and Picardy – more weakly from the meridional part of the kingdom at the exception of Lyon – but also from abroad: the British Isles and the Empire – French-speaking Lorrainers and Germans. Paris is then mostly a city of Northern Europe (Lorentz & Sandron, 2006, pp. 69–70).

The reign of the Anglo-Saxon King Edward the Confessor (1042-1066) marks as well the beginning of a new developmental cycle for London. He takes a fundamental decision that durably shapes the urban and political landscape of London, by re-building, a mile and a half westwards of the existing city on the Thorn Island, Saint-Peter's Benedictine Abbey – “Westminster” – and therein settling the headquarters of the royal government.¹ *“This was the defining moment in the creation of London's great duality: the commercial trading and the industrial city in the east on the old footprint of Roman Londinium (which would become the City of London); the city of court, church and state in a new settlement in the Anglo-Saxon west. This bi-polar arrangement would define the nature of London for thousand years to come”* (White, 2014, p. 8). The Norman conquest by William the Conqueror in 1066² reinforces this dual status by building an extension to the royal palace: Westminster Hall, which today remains one of the only architectural legacies of London's early medieval times. The City of London remains the capital but from now on Westminster is a place of political legitimation as well as a royal sepulchre, where the British Parliament settles in 1215 onwards.³ Quickly this very specific spatial duality mirrors complex political as well as economic relationships between royal and economic powers, both tinged with alliance and defiance as mentioned later on, shaping the whole British history. London develops during the 12th and 13th century. *“The docks were expanding, as the waterfront was continually reclaimed and extended in order to accommodate the Flemings and the French and the Hanseatics as well as the merchants from Brabant and Rouen and Ponthieu; there was a trade in fur, wool, wine, cloth, grain, timber, iron, salt, wax, dried fish and a hundred other commodities to feed, clothe and support an ever increasing population”* (Ackroyd, 2000, p. 53).⁴ Foreign merchants permanently settled indeed play an important economic role in the city more than they really weigh in its total demography

¹ The consecration of Edward's Westminster Abbey is represented on the famous Bayeux Tapestry (Appendix p.144).

² William the Conqueror founds his legitimacy on a very questionable continuity with the Anglo-Saxon Kings and Edward the Confessor. The Bayeux Tapestry in this respect is conceived as an admirable work of Norman propaganda.

³ The decision by Edward the Confessor is extremely important, but in fact the real decision for developing Westminster Palace as the heart of the royal power is taken under the reigns of Henry III (1216-1272) and Edward I (1274-1307), as shown for instance by the historians David Carpenter (Carpenter, 2003, p. 150) and Jean-Philippe Genet (Genet, 2005b, p. 164).

⁴ The building of the London bridge (in stone) in the end of the 12th century is also key to the economic prosperity of the City, reinforcing its link with the South of the country and allowing the municipality to levy taxes.

– without of course counting those only staying temporarily - as asserted by the British historian Terence H. Lloyd (Lloyd, 1982, pp. 227–231). Total population estimates are not as documented as in Paris but they oscillate between 80,000 and 100,000 inhabitants in 1300 (Bethmont, 2011, p. 46). Two things are nevertheless sure: London is the prominent city in Medieval England but a secondary city in Medieval Europe, far behind Paris or Venice. The most noticeable difference with the French capital being the separation of functions: political in Westminster, economic in the City and university in Oxford (see the representation of London in the late 15th century in the Appendix p.145).

The urban and economic medieval development of the two cities stops in the 14th and 15th centuries. The Hundred Years' War, civil wars – the opposition between the Armagnacs and the Bourguignons on the hand, and between the Yorks and the Lancastres on the other – but also natural plagues such as the Black Death and the resurgence of other epidemics, as well as brutal climatic variations generating famines, affect both cities but to a wider extent the French capital and the whole Kingdom of France. Paris in the early 15th century only houses 100,000 people left, shrunk inside the city walls (Bove & Gauvard, 2014, p. 31). Less affected by the wars at that time which were occurring on the French territory, London is nevertheless decimated by the Black Death¹ - which kills 40% of its population (Ackroyd, 2000, p. 89) - and further epidemics. Its population falls to reach 50,000 people in the late 15th century in the beginning of the Tudor dynasty (Rappaport, 1989, p. 61).

Therefore, the spectacular and unique growth of Paris back then relates to the political choice of it by the Capetians as the capital city, highlighting the fact that its functions were already more political than economic. Conversely in London the decision by Edward the Confessor of (re)building Westminster, the Norman conquest and thus the beginning of State construction, happened next to an existing city with its own economic and political autonomy. This then entails different relationships between the growing monarchic central power and its capital city, both in urban and political terms.

¹ This bubonic plague which reaches Europe in the 1348-49 is still considered today as one of the greatest natural catastrophe ever. From a long-time, it was said to have killed around a third of the population of Europe, until the historian Ole Jørgen Benedictow spoke of 50 to 60% of the total population in his book *The Black Death, 1346-1353: The Complete History* (Boydell Press, 2018).

2) The monarchy and its capital city

Anchoring the monarchy in the urban landscape

The early edification of a central monarchic institution is specific to France and the United Kingdom at that time. In both cases the capital is supposed to mirror this construction, but the process occurs differently in the two cases. In Paris the monarchic institution is then at the heart of the city in the Royal Palace in the western part of the Ile de la Cité,¹ surrounded by numerous institutions and thus a large royal administration. The construction of the Capetian monarchy amongst other means uses Paris as a demonstration and incarnation of its prestige and legitimacy (Hayot, 2018, p. 39). The monumental construction of the Sainte-Chapelle in only seven years (1241-1248) by Saint-Louis at the heart of the Ile de la Cité is for example meant to shelter amongst the most prestigious Holy Relics in Christianity, newly bought from the King of Jerusalem and Emperor of Jerusalem Baldwin IV (Lorentz & Sandron, 2006, pp. 81–82). Shaped as a giant reliquary, the Sainte-Chapelle epitomises the will for asserting the continuity between the French monarchy and the Holy History and politically embedding it, from the Roman Catholic Church point of view, comparably to the Holy Roman Empire of the German Nation.² Despite the presence of a sanctuary outside the City – in Saint-Denis – the religious presence and implication of the King in Paris is incomparably higher to the ones of the British Kings in the City of London, of which they are both politically and religiously absent (Genet, 2005b, p. 168).³

No comparable monumental realizations by the British monarchy is noticeable at the time in London, except the Tower of London across the Thames downstream the City of London, which was started as soon as the late 1070s and extended several times for the next three centuries. Its military function of defending the City from further invasions is undoubtedly an issue, just like the Fortress of the Louvre built westwards Medieval Paris by Philippe Auguste in the late 12th century to defend Paris against invasions – mostly feared from Britain – before

¹ I mention the « institution » rather than the monarch himself whose effective presence in Paris has largely varied across the Middle-Ages, as very precisely analysed by Boris Bove (Bove, 2017).

² On the eastern side of the Ile de la Cité the bishop of Paris Maurice de Sully had also launched the edification of Notre-Dame de Paris in 1163, which is only ended in the mid-14th century.

³ The British historiography in the 2000s onwards has even stated that the Norman and Angevin kings are rarely in Britain before John Lackland in the early 13th century (Gillingham, 2000, p. 73). And when they are, they are rarely in Westminster before the reigns of Henri III and Edward I (13th and early 14th centuries).

his leaving for the Crusade. Yet in the London case the function of the Tower is mostly an attempt for watching and in case militarily controlling the City of London (Genet, 2005b, p. 162), and was indeed perceived as such.¹ “*The new monarch’s primary task was to subjugate the city (...) the Tower never belonged to London and was considered by the citizens to be an affront or threat to their liberty. In The Making of London, Sir Laurence Gomme contemplates their displeasure when “they heard the taunts of the people who said that these walls had been built as an insult to them, and that if any one of them should dare to contend for the liberty of the city he would be shut up in them and consigned to imprisonment”*” (Ackroyd, 2000, p. 47). Since William the Conqueror, who in 1066 had to deal with the City of London the maintain of its autonomy in exchange of its acquiescence to his rule,² the British monarchs remain nevertheless convinced of the economic importance of the City of London for financing their wars and other actions. Conversely the merchants also have economic interests in the proximity and protection of the monarchy, around which regularly gather the main lords and wealthiest people of the Kingdom in the capital, but also for maintaining its autonomy that was granted by royal charter. The story of the relationship between the monarchy and the City already resembles one of shared yet never fused interests.

The shared and negotiated government of the capital city

Yet one must remember that the effective administrative and political power of the King remains limited in the Late Middle-Ages. The government of the city is necessarily multipartite and negotiated. After being administered by the count of Paris on their behalf in the 9th and 10th centuries– as the county-town of an ordinary county – Paris becomes directly administered by

¹ Which does not mean that the Capetians do not fear the potential power of Paris. Indeed when Charles V turns the Louvre into the royal residence in the second part of the 14th century, he also transforms the eastern door of the former wall of Philippe Auguste into the Fortress of the Bastille for being able to flee to Vincennes. He builds the Chateau de Vincennes which becomes another royal residence, partly showing his suspicions *vis-à-vis* Paris (Lorentz & Sandron, 2006, pp. 92–96), notably since the revolt led by the provost of the merchants Etienne Marcel (described later on).

² This short “William’s Charter” is depicted by the historian Kathleen Tyson as the first layout for parliamentary democracy, since crown prerogatives – liberties, privileges franchises and protections – had until then been exclusively ceded to religious bodies – minsters, abbeys, churches or monasteries for instance (Tyson, 2018). It is a clear statement : “*William the king amicably greets William the bishop, Godfrey the portreeve and all the citizenry in London, French and English, and I declare that I grant that you are all to be law-worthy, as you were in the days of King Edward, and I grant that each child is to be his father’s heir after his father’s days, and I will not suffer any man to do you any wrong. God keep you*”. From now on, other citizens of other towns but also feudal barons would make similar demands and negotiate crown prerogatives to limit royal powers. The generalization of this process 179 years later ultimately leads to the 1215 *Magna Carta*.

the Capetians in 1086 through a provost (*prévôt*). This provost of Paris is both an intendant in charge of levying the revenues from the royal kingdom and a representative of the king in charge of the former attributions of the county (police, justice, defence) in Paris and its neighbourhoods (Bove, Deluermoz, & Lyon-Caen, 2017, p. 13). But in practice most of the Parisians depend on local lords with almost-kingly powers, who possess large lands formerly in the periphery of the city¹ but which for some of them have been caught up with urbanization. Moreover the main lord of Paris is the bishop who owns almost a quarter of the city in the north-west,² while many lands in the neighbourhoods are owned by large religious structures (Lorentz & Sandron, 2006, p. 56). Overall, apart from the king who owns some land, estimates by medieval historians count 18 main lords with rights for high justice and 124 lords with more limited powers whose jurisdictions are not very precisely delimited and frequently overlap (Bove et al., 2017, p. 13; Favier, 1997, p. 107). Eventually the daily collective life within the city is also organized by economic and religious bodies.

The reinforcement of the Capetian power is made through an alliance with the Parisian elites and successive deals with religious powers (in 1222 with the bishop of Paris) and as soon as the late 12th with economic ones.³ The growing alliance between the king and the bourgeoisie of Paris is embodied in the birth of the dedicated status of “bourgeois de Paris” in the 13th century onwards (tacked in the next part). Unlike other cities of the kingdom Paris is not given any municipal constitution under the form of a communal charter, but is just granted the creation of this figure for the “bourgeoisie” (Lorentz & Sandron, 2006, pp. 187–188). The delegation of powers by Philippe Auguste to six “bourgeois de Paris” when he leaves for the crusade in Palestine epitomises this alliance and the trust given to these figures who become, next to the provost of Paris, direct representatives of the King. Step by step the “bourgeois de Paris” start to invest positions in the emerging royal administration – as bailiffs of provinces or provosts of other towns for instance. This multipartite government leads to the birth of a municipality

¹ Such as the domains of Saint-Germain-en-Laye (founded in the 6th century), of Sainte-Geneviève (7th century), of Saint-Martin-des-Champs (11th century) and of the Temple (12th century).

² The bishop of Paris Maurice de Sully in 1163 has started the construction of the monumental cathedral of Notre-Dame de Paris, who is completed two centuries later in the mid-14th century. In medieval Paris the Ile de la Cité is divided in two parts: the royal institutions and the royal palace in the west and the heart of the religious power in the east, with the bishop and the chapter around the cathedral, the episcopal palace and the canonical quarter (Noizet, 2016, p. 33).

³ For instance in 1170 the King grants the monopoly of river trade between Paris and Mantes-la-Jolie to the corporation of water merchants.

before 1260, created by Louis XI as an attempt to better coordinate the administration of the fast-growing city. The king asks the corporation of water merchants to represent the people of Paris, of which it keeps the name – the new “provostship of merchants” – and the symbol – a merchants’ ship. The aldermanship is made of five burgesses: the provost of merchants and four aldermen, elected every year but keeping their position seven years on average (Bove et al., 2017, p. 15). The administration of the city then resembles a co-management between feudal lords, a royal provost and a provost of the merchants, whose power are not equivalent – the municipal one remaining the smallest. Nevertheless the creation of this aldermanship, which doubles the administration of the city next to his royal provost, embodies the will for the monarchic institution to consolidate an alliance with Parisian elites by granting them a small autonomy¹ – and having an identified negotiator for tax-consent purposes.

In London a municipal government pre-existed the monarchic construction of the 11th century onwards, and was the only one in the towns of Britain (Genet, 2005a, p. 153). The oldest function, which has been traced back until the 11th century, is the alderman in charge of police and security in a dedicated ward. Originally the title was hereditary and the 24 wards of London in the 13th century were named after their aldermen. They become elected – still for life - in the late 14th century²: the wealthiest people – the “honest men” of the wards – appoint four candidates that are submitted to the other aldermen gathered in a Court of the Aldermen, which constitutes the most powerful governing body of the City (Genet, 2005a, pp. 153–154).³ The prerogatives are shared with two other figures: the sheriff and the mayor. Equivalent to the French provost the two sheriffs are the royal officials in charge of levying taxes and maintaining security and justice in the city, except that they are elected by a small member of the wealthiest people of the City, right that London obtained as soon as the early 12th century. From the 14th century onwards one of the two sheriffs becomes appointed by the mayor, epitomising the growing importance of this figure (Bethmont, 2011, p. 57). Eventually the right to elect their own mayor is won from John Lackland and is part of the 1215 famous Magna Carta (Bourgne,

¹ On top of that it is a cost-neutral reform since the aldermen are not appointed by the king.

² An attempt for switching to an elected system for one-year mandates has been tested but abandoned in the 14th century.

³ The British medieval historian Caroline M. Barron precisely describes this very normed electoral system which is in fact very close to co-optation (Barron, 2004).

Carré, & Garcias, 2018, p. 39),¹ in which was stated that “*the City of London shall have all its ancient liberties by land as well as by water*”. The mayor is primarily in charge of maintaining peace within the City for guaranteeing its prosperity and the application of municipal decrees for commerce. He has authority over all municipal officials and arbitrages commercial disputes, and step by step wider conflicts such as claims of debt and contract conflicts. Just like for the aldermen the political function of the mayor is unpaid and has been documented as extremely time-consuming, meaning that it can only be exercised by the wealthiest people and largely for social prestige and political power. Overall London is at the time largely governed by its oligarchy.²

The municipal institutions must co-exist with the monarchy in a logic of mutual yet distinct interests. The election and enthronisation of the mayor every year in October leads to an oath of loyalty in front of the king or his representatives in Westminster, but also to a very important and ritualized civic ceremony which on the 16th century onwards takes the name of “Lord Mayor’s Show”. Once elected the mayor horse rides along the Strand – before the journey is made on by barge on the Thames in the mid-15th century onwards – surrounded by a procession of the aldermen and the corporations (tackled in the next part). Once the oath is given a banquet is served at the residence of the mayor of the hotel of his corporation, and in Guildhall in the 16th century onwards. This is characteristic of the political and economic fine and complex alliance between the City of London and the Crown. The municipal institutions are undoubtedly more structured and autonomous than in Paris. Yet they remain granted and guaranteed by royal decree and must also permanently demonstrate their ability to efficiently

¹ This document was the product of a negotiated peace between the unpopular King John of England and a group of rebel barons, re-affirming church rights and various liberties for the barons – limitation of taxes, guarantees of justice or protection from illegal imprisonment – as well as installing a council of 25 barons for guaranteeing them. The Magna Carta is often presented as the early form of the British Parliament.

² It does not mean that other bodies aiming at representing the people are absent. The rise of the Court of Common Council in the 14th century onwards is in this respect worth mentioning. Its councillors are elected by local assemblies named “wardmotes”, with a number of representatives proportionate to the population of the district (Genet, 2005b, pp. 174–176). The rising number of the representatives during the 15th century – from 96 members in 1384 to 188 in 1458-1459 - is a sign of the development of the institution (Bethmont, 2011, p. 60). From the 15th century the Court of the Common Council must give its consent for every tax that the municipality wants to levy, which slightly wanes the oligarchic government of London. This institution undoubtedly illustrates a will for implying a wider range of citizens to municipal life, just like in a way the House of Commons later on will be at national level, facing the monarch and the House of Lords. Yet it shall not be considered as real counter-power to the Court of the Aldermen that still holds most of the effective power.

administer the capital, under the surveillance of a monarch who theoretically has power over the municipal institutions but no real interest to an open-conflict.

Thus, despite parallel beginning of French and British State construction around the 12th century onwards, the role of the capital city in the process already differs. In times when the government of such cities – as well as of any territory – is for functional reasons necessarily shared and negotiated, between aristocratic and religious powers with evolving and fuzzy jurisdictions, the French royal government penetrates the city more deeply. In urban terms since the capital is used for visually anchoring the monarchy – what is later on defined as a “monumentalization” of the city by the central power – and in political ones through the institutionalization of political and economic figures very quickly integrated or at least controlled by the royal administration. Conversely in the London case the political and economic powers of the City coexist with the royal institutions in the form of an alliance based on common interests yet in many respects structural mistrust. All of this then reflects on the way in which economic elites are structured, on how they interact and negotiate with monarchic institutions, and in the case of conflicts on how it produces different outcomes.

3) Paris and London merchants: between institutionalization, accommodation and conflict with the monarchy

The growing institutionalization of corporations

The “bourgeois” is an important figure in these late Medieval times and the only municipal institutions earlier evoked do not encompass the complexity of the organization of the cities. Yet the use of it requires extreme caution especially in such comparisons. Etymologically the “bourgeois” – a French term - is the inhabitant of borough (*bourg*), which is the meaning as it first appears in the historical source during the 11th century with the development of cities. Broadly speaking, it is abusively used to designate the secular population of these cities, generally implying their belonging to the middle- and especially upper-classes which is more or less what was here done so far. In the case of Paris it has a more precise significance which appears in the 12th century: a part of the population that benefits from the privileges granted by the feudal lord whom they depend on, including the king or the bishop. They are then referred to as “bourgeois de Saint-Germain-des-Près”, “bourgeois of the bishop” or “bourgeois of the king”. The wall of Philippe Auguste reinforces the link between all these categories and the privileges granted by the Capetian kings progressively lead them to claim the title of “bourgeois de Paris” or “bourgeois of the king” (Bove, 2014, p. 117). In the 13th

century onwards it becomes a clearly identified status that its members proudly claim,¹ for instance having many streets named after them. The bourgeois de Paris are more merchants than craftsmen, often linked to the trade of luxury products (drapers, haberdashers or furriers for instance) but more broadly involved in the trade of the city and along the Seine. The institutionalization of the status in the Paris case mostly follows the emergence of the monarchic institution and administration.

As previously seen these “bourgeois” in the Paris sense are at the heart of London’s institutional system through the Court of the Aldermen and the mayoralty, dominated by wealthier merchants. The term “bourgeois”, which exists in English, could have been used to designate them, since in both cases it refers to the economic elites of the capital cities that benefit from their then urban development. Yet it would have been abusive and confusing since the “bourgeois” in the case of Paris also designates a nobility and political status granted by feudal lords, bishops as well as kings. In the London case these upper classes, sometimes mingled with feudal belongings, can access municipal functions granting them social and political prestige but not as a result of a comparable institutionalization by the monarchy – even if the whole system and its autonomy always has to be granted by the monarch. This is why when comparing both groups in the two cities the generic term “merchants” is preferred, in the sense that the British historian Sylvia Thrupp uses it in her admirable book on *The Merchant Class of Medieval London (1300-1500)*. For Paris and London “merchants” henceforth refer to the upper-layers of the industrial and commercial classes, mostly composed with individuals who, whatever the sector of their activity, are specialized in commerce in the proper meaning – namely wholesale and long-distance trade and not craftsmanship nor retail – and who *de facto* occupy a privileged position in social and political terms (Thrupp, 1989).

More broadly the economic life of both cities bases on a larger growing institutionalization of wider corporations. The name of numerous streets in both capitals in the 13th century – some of them still in place today – illustrates the tendency for people with similar jobs, despite competition, to gather spatially for dealing with common issues and external threats. In Paris it notably starts with the elaboration of the *Etablissements des métiers de Paris*,

¹ Jean Favier in his book *Les Bourgeois de Paris au Moyen-Age* precisely describes their socioeconomic profile as well as the different manners in which their notability is expressed: a modern onomastic system, with both a Christian and a family name, as well as in the 13th century onwards a dedicated heraldry (Favier, 2012).

more known as the *Livre des métiers* by Etienne Boileau, one of the first known provost of Paris in the mid-13th century. Confronted to the impossibility of stating many disputes in the absence of written rules, he asks each corporation to write its own statutes which he gathers – after homologation – in a single book dated 1268. It registers 101 economic activities exercised in the city through numerous corporations (Lorentz & Sandron, 2006, p. 190) later on classified in 1879 by René de Lespinasse and François Bonnardot in six heads: crafts dealing with food and drink, flour, groceries, and provisions generally; goldsmith's work, jewellery, sculpture ; metal-work, especially in iron ; cloth, silk, wool, linen and clothing ; leather and skin used in shoes, clothing, saddlery and harness; and miscellaneous: building trades, pottery, baths and surgeons. In each of these sectors it defines the statutes and rights for different occupations - apprenticeship, valets, masters, *jurés* – as well as rules for different cases – violation of rules, non-observance of contracts, or adulteration and fraud (Bourlet, 2015). In his history of French corporations before 1789 – subject notably absent from the French historiography -, Emile Coornaert describes the double process occurring in the 14th and especially 15th century. On the one hand corporations truly become urban institutions regulating the economic life and development of the city (Coornaert, 1941, p. 92). On the other their leaders become part of the royal administration which step by step controls the professional life of that very structure (Coornaert, 1941, p. 98).

Beyond merchants, the late Medieval London is also marked by the growing importance and institutionalization of various corporations often named “guilds”.¹ The weavers are the first to obtain recognition by royal charter from Henry II in 1150, which consists in an annual payment to the crown in exchange for a monopoly in the City but also around it, before being quickly imitated by bakers (Bethmont, 2011, p. 61). The existence of such guilds is also established in the late 12th century for saddlers, jewellers, butchers and wool merchants. The appearance and structuration of these corporations are also like in Paris accelerated by the will for coordination and problem-solving issues. Yet they are also created against foreign merchants for protectionist purposes or for controlling prices in a specific industry. Their importance in the life of the City grows considerably in 1312 when they gain control of the access to the status of “freeman” (Ackroyd, 2000, p. 90). This status generally designates

¹ In Paris and in London the words « corporations », « guilds » or « hansas » are used to designate groups gathering members of a same economic activity. Though they are not necessarily switchable, their respective meaning is not delineated precisely. Hence the generic term “corporation” that is used here.

someone who is not the property of a feudal lord but enjoys privileges such as the right to earn money and own land – one speaks of the “freedom” of the city. More specifically in Middle-Age England until the Victorian era, the “freedom” means the right to trade for any member of a guild. Until then anyone claiming this status had to do it directly with the alderman of the ward, in exchange for a payment that goes directly into the budget of the city, which means that craftsmen were seeing competitors directly getting to these economic privileges without going through the guild. From now the right to the “freedom of the City” and thus to trade requires a patronage from the guild. Thus broadly speaking “*in London economic power in turn purchased political and social pre-eminence*” (Ackroyd, 2000, p. 90).

Further institutionalization of the guilds through royal charters occurs during the 14th century when they can now become companies,¹ namely legal persons who can receive donations and claim rights, and obtain the privilege to wear distinctive uniforms (*liveries*), hold assemblies, elect officials or publish acts for regulating their activity (Bourgne et al., 2018, p. 95). In theory they are placed under the authority of the mayor and the aldermen but in fact the royal charters in the 15th centuries onwards grant them a large autonomy *vis-à-vis* the municipal authority, in favour of craftsmen therein least represented. Many of these “livery companies” have their own hostels built in the City – one accounts for 31 in 1500, in which they base their headquarters and archives.² They become part of the institutional life of the City of London in the 15th century onwards, being asked for contributing to the financing of municipal policies but also being regularly consulted by the Court of the Aldermen. A hierarchy progressively appear which is officialised by the Lord Mayor in 1512 as the Great Twelve Livery Companies: mercers, grocers, drapers, fishmongers, goldsmiths, merchant tailors, skinnners, haberdashers, salters, ironmongers, vintners and cloth workers. Most of the mayors and aldermen come from these companies especially the first three ones. Unlike other British cities no corporation gathering all the main merchants ever emerge in London, probably because the institutions of the City render them less useful than in Paris with the provost of the merchants. Conversely the Paris bourgeoisie has a strong curial culture and its fortune is made by the king – voluntarily by the granting of considerable privileges and involuntarily by offering careers in the royal

¹ In fact not all of them change their status from professional organizations to royal companies, probably due to the cost of royal charters. Those which did it were the wealthiest ones but also the intermediate ones in need for protection;

² These corporations still exist today and have kept their medieval privileges. Their activities however have considerably evolved and today mostly centre on social and education activities.

administration – before the Hundred Years' War and the departure of the court in the Chateau de la Loire jeopardizes its positions and certainties but without really questioning them.

Thus in both cases the institutionalization of guilds and corporations is a general trend Medieval France and Britain¹ that logically affects large cities such as Paris and London. However these similar trends happen in the slightly different political context earlier evoked, which in the French case results in a larger institutionalization by the central government. This then possibly reflects in different outcomes of political conflicts between the merchants of the capital and the royal institutions, which regularly occur in both cases in these late Middle-Ages.

The merchants against the monarch

The growing institutionalization of « merchants » raise the issue of the relationship with the consolidating monarchy, which is especially revealed in the case of open-conflicts. As seen in Paris the figure of the “bourgeois” occupies a growing importance in the life of the city, in a form of an objective and early alliance with the monarchy. Already visible in the 12th century it is still largely effective until the 17th century. As for the numerous revolts of the Parisians during the end of the Middle Ages it was often interpreted by the historians of the 19th century in light of the French Revolution as a multi-secular struggle between the bourgeoisie and the aristocracy. It was largely an anachronism (Bove, 2014, p. 130). Indeed a fine analysis of the revolts of Paris throughout the 14th and the 15th century conversely highlight the solidity of the alliance between the bourgeois and the monarch, the elite merchants almost always siding along with the king against lower-classes. It is obvious in 1306 when a mob of Parisians surround the Temple where Philippe le Bel is settled, following his decision of tripling rents, and during which the alliance between bourgeois and king is transparent and epitomises the split between the people of Paris and the wealthy merchants (Bove et al., 2017, p. 142). As for the ones of 1413 – named the Révolte des Cabochiens - and 1418,² they mix anti-tax

¹ As well as in the whole Medieval Europe, as shown for instance in the remarkable history of the Hanse by Philippe Dollinger (Dollinger, 1964).

² The tax resistance of the Maillotins in 1383 is a more complex case since the merchants are against the taxes, but they do not take part to the riots, while some of the rioters loot the houses of those identified as tax collectors. Most of them flee to Vincennes along with the court and some take part to the negotiation on the abolition of the tax with Charles VI. New riots in 1383 lead to the death penalty for some of them and the abolition of the municipality. Yet the king could not afford to break the alliance with the bourgeois of the capital and therefore re-establishes it in 1389 as well as the aldermanship and provostship of merchants in 1412.

purposes and the civil war between the Armagnacs and the Bourguignons.¹ The bourgeois of Paris try to avoid siding and try to bring back peace between both parties. Yet the Duke of Bourgogne tries to structure an anti-tax side against the Armagnacs, in favour of strong centralization and permanent taxes. In fact the bourgeois, which come from the aldermanship and belong to the merchant and financial classes, and which benefit from the expansion of the State, remain Armagnac, whereas the craftsmen and the lower-bourgeoisie are Bourguignon (Bove et al., 2017, p. 130). This is why they do not follow the Duke of Bourgogne Jean Sans Peur in his military appeal in 1406. The violent revolts of 1413 and 1418 are led by Parisian lower-classes (see Appendix p.146), and when the bourgeois are forced to take side they remain very reluctant and dispatch their family members in both sides, which shows that they are mostly passive rather than leaders in such events. The merchants and the king remain objective allies in these late Middle Ages, the first ones siding with the second when they are given the choice.

The only noticeable exception to this is the famous revolt led by the provost of merchants Etienne Marcel. When King Jean II is captured by the British in the battle of Poitiers in 1356, the young Dauphin – future Charles V – has no legitimacy to rule, nor has the *états généraux* which are summoned² – in which Etienne Marcel represents Paris as the provost of merchants – for trying to control the tax policy of the young monarch. But the Dauphin Charles refuses to meet the demands of the *états généraux*. In 1357 he organizes a riot in Paris for cancelling the royal ordinance and in 1358 he has two of the councillors of the Dauphin murdered in front of him, but spares him (see Appendix p.147). The Dauphin then organizes a blockade of Paris, making Etienne Marcel ally with the enemy of the King Charles de Navarre. The provost is eventually murdered in 1358 by his own allies as a way for negotiating a royal grace. The republican historiography of the 19th century has depicted him as part of the first incarnations

¹ It occurs during the Hundred Years' War from 1407 to 1435, at a time when the King Charles VI is still young, especially weakened by sickness and under the influence of the main lords of France. England highly benefitted from this conflict during the War. It opposes two branches of the Valois dynasty. The conflict starts when the Duke of Orléans is murdered in 1407 at the command of the Duke of Bourgogne Jean Sans Peur, and turns into a real civil war in 1419 with the murder of the very same Jean Sans Peur. The bases of the oppositions are very complex and mix aristocratic affiliations to economic and territorial interests between different lords. Yet it clearly strongly divides the kingdom and the whole public opinion.

² The *états généraux* are simply consultative assemblies with no legitimacy to rule the kingdom.

of the struggle of the bourgeoisie against absolutist monarchy.¹ In fact his revolt is not really directed against the monarchy itself but wishes to unify clerks and lords in favour of a reformation of the royal institutions and a fight against the corruption of royal officials, before he gets isolated by his radical positions when the Dauphin refuses to cooperate.²

The economic but also political power of London merchants through the institutions of the City can also be witnessed through specific conflicts. Two important ones are isolated here. The first is a civil war for the throne between King Stephen – also known as Stephen of Blois – and his cousin Matilda, which was named The Anarchy and took place between 1135 and 1153. Henri I, the son of William the Conqueror, dies in 1135 with only a daughter as an heiress, Matilda. The Salique Law then does not exist in Britain but still the idea of a woman on the throne is widely unpopular. So is her second husband Geoffrey Plantagenet (Count of Anjou). The barons of the kingdom then try by all means to give the crown to someone else and pick Stephen of Blois, nephew of Henry and grandson of William the Conqueror. Two important texts each written by both parties³ all assert the significant role of the City of London in this conflict (Bethmont, 2011, p. 25). When he learns the death of Henry, Stephen “*promptly*” came to London, and the London folk received him...and hallowed him king on midwinter day”. *So says the Anglo-Saxon Chronicle, and another ancient source adds that the* “Alderman and wise folk gathered together the folkmoot, and there providing at their own will for the good of the realm unanimously resolved to choose a king”. *The citizens of London had, in other words, formally elected a king for the entire country. It is not clear what Stephen promised or granted the city, in return, but from this time forward it takes the first place in national affairs with a degree of independence which suggests that London is almost self-governing*” (Ackroyd, 2000, p. 50).⁴

¹ In this respect the Third Republic dedicates a statue to him in 1888 which still stands in the gardens of the Hotel de Ville (see Appendix p.148). Epitomising republican propaganda, he is represented on a horse as the defender of Paris - armed but holding the sword by its blade – with the 1357 edict from the *états généraux* which aimed at installing a constitutional monarchy.

² Historians have questioned the origins of his radical positions since his sociology as a draper of an old family of bourgeois placed him very close to the royal power. The response is to find in the specificity of his biography and his experience of the corruption of royal officials, and neither in his sociology nor in his alleged revolutionary ideology.

³ *The Deeds of Stephen (Gesta Stephani)* from an anonymous author faithful to Stephen of Blois on the one hand, and the *Historia Novella* by William of Malmesbury, faithful to Matilda, on the other.

⁴ As shown by the historian May McKisack this pretention to elect the king probably came from the role played by the city in the defence of the kingdom during the Viking invasions. This privilege would have

But when Stephen loses the Battle of Lincoln in 1141 and gets captured by the followers of Matilda, who then tries to be recognized as monarch as well. Once again the rest of the story related by Peter Ackroyd perfectly illustrates the power for the City. *“A great conference was held in Winchester in order to consider the royal claims of Matilda, and a speech in the favour by Stephen’s own brother was concluded with the following significant remarks: “We have despatched messengers from the Londoners, who, from the importance of their city in England, are almost nobles, as it were, to meet us on this business, and have sent them a safe-conduct”. They arrived on the following day, saying that they had been sent a communion quam vocant Londoniarum –“ from William of Malmesbury is the clearest possible evidence of the city’s significance. As the nation divided in baronial wars, London had ceased to be a capital and had once again become a city-state. The events of Matilda’s short subsequent reign reinforce this impression. She tried to curb the power of London and unwisely demanded money from its richest citizens. That is why, when Stephen’s own queen, Maud, approached London, its inhabitants rushed into the streets, according to Gesta Stephani, with weapons “like throwing swarms from heehives” in order to support her. Matilda fled from the irate citizenry, and never regained the throne”*. Yet Peter Ackroyd invites us to caution when inferring from these undoubtedly important events that London was independent. In peaceful times marked by economic prosperity London merchants and the whole population of the capital quite easily accept the authority of the sovereign all the more when it accords their interests. But conversely when national policies are jeopardized by such dynastic struggle the City assumes a leading position in political conflicts.

The second example in the 14th century, with the deposition of Edward II and his replacement by his son Edward III in 1326-1327, also illustrates this assessment. The whole reign of Edward II is terrible, marked by military defeats against Scotland in 1314 and 1322 and a series of climatic catastrophes leading to the Great Famine of 1315-1316. Unpopular to the British barons, Edward II is seen by London merchants as jeopardizing its economic prosperity and its liberty, while abusing of its military power in his wars against Scotland – given the more defensive nature of the City. On top of that the King has suspended the liberties

been somewhat forgotten with only smooth transition between monarchs based on an easily-applied hereditary principle. This conflict with the succession of King Henry seems in fact to have revived it (McKisack, 1948).

of the City in 1321 on the pretext of bad administration and legal abuse.¹ The City then joins the plot born in 1326 through the alliance of Queen Elizabeth of France and the powerful lord Sir Roger Mortimer. When both come back from France with an army which immediately lead Edward II to flee, Queen Elizabeth immediately sends a letter to the Londoners asking for their help for destroying the supports of Edward II. This letter is displayed publicly in London and notably leads to the execution of Hugh the Despenser – “the Younger Despenser”, former royal chamberlain of Edward II which had made numerous enemies across the British nobility. As a reward Queen Elizabeth grants the liberty of electing its mayor back to the City of London. In 1327 the municipal authorities through a letter ask the merchants to pledge alliance to the Queen, recognize her son as the new king – Edward III – and confirm the deposition of the king. Which they immediately do by an oath in the presence of the mayor and the aldermen in Guildhall.² As asserted by May McKisack the choice of the location illustrates the political importance of London, which in such a conflict between two aristocratic branches, once more acts as the representative body of the people whose acclamation legitimates the new king (McKisack, 1948, pp. 82–83). The political role of London in national political crisis in fact oscillates between one of a capital city speaking for the whole kingdom and sometimes pretending to speak in its name but also one of a community strongly defending the liberties it progressively conquered in favour of its economic prosperity. This duality is very well epitomized in its status of “*quasi-Bank of England*” (Caroline M. Barron).

Therefore, this first period of time highlights similarities in the rise of both capital cities, occurring in a context of parallel State construction in rather similar geographical configurations. Yet the bases for the future divergence in terms of relational infrastructure between political and economic municipal actors and central government ones are in many respects already there. The French monarchy controls and monumentalizes the city and its political and economic powers, while the City of London continuously and successfully defends

¹ As stated by Rémy Bethmont this was in many respect true but mostly the fact of some municipal officials. As for the suspension of the liberties of the City it had been done before in 1485 during 13 years, but this one comes as an accumulation and turns London into a potential ally of the enemies of the King (Bethmont, 2011, p. 30).

² The City has more broadly benefited from its support to Queen Elizabeth. In 1327 it is granted a new charter limiting the right of the crown to suspend its liberties and stating that in case of abuse by a municipal official, the punishment will be individual and not applied to the whole city. This specific disposition prefigures the 1354 decree in which Edward III precisely defines the conditions that can possibly lead the monarch to suspend the liberties of the cities.

its political and economic autonomy, by supporting the Crown politically and financially in exchange for a political stability synonymous of economic prosperity. With already visible and different outcomes in case of conflicts between local political and economic actors of the capital on the one hand and the central powers on the other: the French monarchy always winning against the capital – with the Paris merchants often even siding with the King – and the City of London in the end sometimes claiming and taking a key role in solving political crises nationwide, and sometimes asserting its political freedom in a rather autarchic functioning. This leads the victorious French monarchy to continuously strengthen its grasp on the capital city even more. These trends then result to various trajectories in Modern Times when the consolidation of both French and British States takes different paths.

B - Capital cities and the various consolidation of modern States (16th-18th century)

Despite the differences previously pointed out, the relational systems in both capitals still share similarities since State constructions are still in their first phases and because the government of capital cities is still inevitably shared and negotiated with other jurisdictions and powers. This part devoted to Modern times (16th-18th century) is in this respect crucial for understanding the respective consolidation of both French and British States, and its durable effects on the various structuration of political and economic bottom-up interests in both capital cities. These centuries are indeed key in assessing the various trajectories of State constructions and its consequences on political centralization processes as well as various conceptions of power, authority and development policies. All of this in the very centuries in which both countries shelter scientific discoveries and technical breakthrough which, step by step, percolate within societies before eventually leading to the Industrial Revolution. Understanding the evolution of these relational systems in both countries and capital cities may provide some contextual feature for analysing the various economic and geographic forms taken by the French and British Industrial Revolutions in the mid-18th century onwards.

1) New urban growth and the shaping of modern cities

Planned but unsuccessfully constrained growth in Paris

After the Hundred Years' War and the Black Death the Wars of Religion profoundly affect France throughout the 16th century, opposing the Catholics and the Huguenots – gathering Reformed and Calvinist Protestants - and turning into a civil war. During most of the 16th century Paris experiences very important growth and becomes once again the most populated city in the Western world. From 250,000 people in early 16th century it rises to 350,000 in the mid-16th century (Chadych & Leborgne, 2018, p. 52), before falling to 300,000 in the end of the century because of the Wars of Religion – and the siege of 1589 by Henri IV¹ - but also a plague disease (1580) (Combeau, 1999, p. 34).² The growth of Paris during the 17th century continues to reach 500,000 people in the second half of the century (Bove et al., 2017, p. 23). All of this while the city limits were still the same (439 hectares) between the walls of Charles V (northern bank) and Philippe Auguste (southern bank). Population then starts to spread beyond the city walls³ along new *faubourgs*⁴ as visible already in the mid-16th century (see the Plan Belleforest in the Appendix p.149) but which keeps developing throughout the 17th century especially southwards (see for instance as a comparison the Plan Mérian in 1615 in the Appendix p.150). In socioeconomic terms they were often linked to a specific *quartier*⁵ inside the city boundaries of which they took the name (“Faubourg Saint-Martin” for instance). They welcome an important population – workers and artisans - attracted by the possibility of working freely, and notably bypassing the monopoly of corporations,⁶ in terms of rules and

¹ Specific events notably the Ligue (1588-1594) are related in the third sub-part of this period.

² To be more precise and give an idea of the impact of such events the population of Paris had fallen to 200,000 after the siege before going up again to 300,000 in 1600 (Chadych & Leborgne, 2018, p. 52).

³ This does not mean that there was no activity outside of the city limits before. The numerous religious establishments as well as feudal properties and bourgeois residences had already created daily economic and human exchanges (Chadych & Leborgne, 2018, p. 50). But the development of the *faubourgs* creates a new urban contiguity.

⁴ The word derives from the Ancient French “fors le bourg” which literally means “outside the bourg” – outside the city walls and doors.

⁵ Paris was by then divided into 16 *quartiers* for tax purposes, which in the late 16th century took the name of their main church: Saint-Germain, Saint-Honoré, Saint-Jacques, Saint-Antoine or Saint-Marceau.

⁶ This privilege has been granted by Louis XI in 1471 and is confirmed by Henry IV in 1598.

apprenticeship. Along the Seine the *faubourg* Saint-Antoine for instance shelters many cabinetmakers and joiners who could stock up thanks to the Seine close by.

Such a growth creates considerable economic, health and safety challenges for the monarchs, all the more with the successive riots and rebellions occurring in the capital city – the Ligue (1588-1594) and the Fronde (1648-1652) for instance (tackled in the third sub-part). Successive decrees indeed try to forbid building beyond some delimited areas (1548, 1638 and 1723) since the walls could clearly not prevent this growth. Instead of preserving the defensive functions of the walls which could on top of that turn as a threat – like during the Fronde – the main policy of the monarchy in these times consisted in controlling population growth – which potentially meant rioters. These rather constant policies have an effect on limiting the number of homes built but mostly fail in limiting the multiplication of floors and cramming of Parisians (Bove et al., 2017, p. 24).¹ At the same time numerous urban policies are implemented for functionally organizing this growth. The reign of François Ier (1515-1547), who returns in Paris in 1528,² and then the reign of Henri IV (1589-1610) are especially important in the transformation of the capital city.³ The first one renews many churches, starts an extension of the walls westwards,⁴ and renews the Halles, which had been abandoned since the Hundred Years' War.⁵ As for Henry IV, beyond numerous realizations - hospitals, squares⁶ and streets - he builds the Pont Neuf – today the oldest bridge in Paris – which creates a new link between both banks of the Seine coherent with the urban extension of Paris westwards thanks to the new

¹ These middle and long-run policies undoubtedly contributed to raise the density to very high levels – 160 inhabitant per hectares in 1800.

² He settles in the Louvre which is then completely renewed and loses his military function. Inspired by his numerous stays in Italy he brings back architectural and urban influences as well as experts. Next to the new Palace of the Louvre he has the Palace of the Tuileries built for his mother Louise de Savoie. Next to this new polarity numerous *hotels particuliers* are erected along the rue saint-Honoré and paved new walks are built across the Seine to replace the previous low and sandy quays. Eventually he builds the Hotel de Ville, which is evoked later on with the issue of government and control of the city.

³ The sole urban transformations that wish to improve the socioeconomic functioning of the city are mentioned here. The use of the urban space as a demonstration of the monarchic power, which is key in understanding the urban history of Paris, is tackled in the next sub-part.

⁴ This wall is finished by Louis XIII.

⁵ He erects the Sainte-Eustache church – the second largest after Notre-Dame – and builds the Fontaine des Innocents – which contributes with a wider network of small fountains to partly solve the problem of water supply. Then the modernization of the market by Henry II (1550-1560) turns the Halles into one of the wealthiest and most populated areas in Paris.

⁶ Beyond their functional purposes squares have very important political functions for the monarchy, and are thus tackled in the next part.

wall of the Fossés Jaunes surrounding the Louvre and the Tuileries (Favier, 1997, pp. 152–158; Gagneux & Prouvost, 2004, pp. 84–88). The reign of Louis XIII mostly consists in completing these realizations.

During the second half of the 17th and the 18th century the population of Paris keeps increasing but at slightly slower levels: after having exploded from 300,000 in 1600 to 500,000 in the late 17th century, it “only” reaches 600,000 to 700,000 at the end of the 18th century. At a time of considerable urban growth in London for instance which reaches 900,000 people. The voluntary actions by the monarchy might indeed have had limitation effects on population growth. This is impossible to assess precisely, even though the Plan Turgot resembles the one 120 years before (Appendix p.151). Yet undoubtedly the monarchic will for spatial constraint of the capital remains a constant preoccupation over this period (Favier, 1997, p. 89). At the same time major realizations are carried out under the reign of Louis XIV. Thirty years after the completion of the new western wall of the Fossés Jaunes, the king decides to raze the walls in 1670 and open new and planted boulevard (*Cours plantés*).¹ This facilitates the urban integration of the *faubourgs* and slightly expands the city which from 1702 onwards counts 20 *quartiers* (see Appendix p.152). Until the building of the new wall of the Fermiers Généraux (1784-1790) Paris has no real physical limitations but the question of its limits remains a crucial issue throughout the 18th century for the monarchy (Combeau, 1999, p. 45). Beyond the fictitious limitations declared in 1694 by Louis XIV without any effect, the monarchs keep trying to limit the spatial extension of Paris through various decrees and regulations with very limited success.² The long-term trend of Paris growth is thus visible in these modern times: voluntarist modernization³ and planning policies one the one hand ; successive and minimal absorptions of peripheries when necessary on the other – with new walls.

Unplanned and exponential growth: from bipolar to multipolar London

The demographic growth of London over the same period is even more spectacular. From a city of around 50,000 inhabitants in the late 15th century London turns 100,000 in the early

¹ This realization takes some time because of the financial – buying lands that belonged to individuals – as well as technical difficulties – levelling of the soil.

² During the 18th century the expansion westwards with the Quartier du Roule and the extension of the forest, opening of the Champs-Élysées, illustrates these failures.

³ In this respect major improvements for city-life occur throughout the 18th century: names and numbers systematically pinned in each street, oil street lamps generalized, water supply improved thanks to steam-pumps, and new horse-drawn transport developed (fiacres or coaches).

17th for the City of London boundaries only and 180,000 when considering the whole urban area (Bethmont, 2011, p. 77). The growth outside the medieval boundaries mostly occur along the Strand which becomes densely populated and incorporated to Westminster in 1604 – which had become a “city” as well 19 years earlier. It gets exponential during the 17th century and the agglomeration reaches around half a million in 1700¹ – for the first time of London history at the same level as Paris. In his book *Population and the Metropolis*, the British historian Roger Finlay asserts the central role of internal migrations as well as immigration in this growth – natural growth being negative at the time (Finlay, 1981). The city attracts a diversity of people until faraway towns,² sometimes just for temporary professional opportunities thanks to the reputation of its guilds but more broadly thanks to the long history and efficiency of the political and economic institutions of the City in allowing possible access to “freedom”.³ Most of them are English but some are coming from Scotland, Ireland and the continent especially after the Revocation of the Edict of Nantes in 1685 by Louis XIV – which leads to the suppression of the Reformed Church in France and condemns the Protestants to exile or hiding.

This growth is not really planned. There is no reform of municipal boundaries like in Paris but on the contrary a multipolar development of the suburbs. The Reformation and more precisely the dissolution of monastic orders in England by Henry VIII⁴ in the 1530s and the 1540s has a very important impact on London’s urban development. Indeed since the Middle Ages the City of London is surrounded by monastic lands, part of them even lying within its limits, which from now on belong to the Crown. This quick urbanization and urban sprawl of London makes these lands increasingly valuable and strategic. Henry VIII seizes here a unique opportunity to both bail out the State and reward his allies during the political crisis – lands are sold or given according to the royal cronyism policy. An intense real estate development occurs from the 1540s to the 1560s – with the construction of homes, hotels, taverns and stables for

¹ Estimates slightly vary from one historian to another. The study of Roger Finlay and Beatrice Shearer proposed a conservative estimates of 490,000 inhabitants in 1700 as opposed to the one usually mentioned of the 550,000 (Finlay & Shearer, 1986, p. 39). Anyway it houses at that time around half a million people, for the time being comparable to Paris.

² During the 17th century, fearing this growth, King Jack I famously declares: “*Soon England will only be London*”.

³ The more detailed economic development of London is tackled in the third sub-part.

⁴ After unsuccessful negotiations with Rome, for the Pope Clement VII to accept his divorce with Catherine d’Aragon, Henry VIII marries Ann Boleyn in 1533 anyway, who is crowned Queen of England. The splitting with the Roman Catholic Church is reinforced in 1534 with the Act of Supremacy which makes the king the Supreme Head of the Church of England.

instance (the ongoing process is visible on the Woodcut map in the Appendix p.153). This development is all the more understandable when remembering that these lands are outside the jurisdiction of the City, as former monastic lands which, though secularized, keep the status of sanctuary. More precisely its inhabitants are exempted from both municipal taxes and the grasp of guilds and corporations, which makes these new locations especially attractive for those excluded from the right to “freedom”.

The City of London immediately asks for these exemptions to be abolished but the monarchy does not comply and in many respect buys time. The simple idea for the Crown is to prevent a spatial and economic extension of the City through the development of local counterparts – a classic divide and rule policy. When the monarchy decides to sell a land to the City, it voluntarily raises the bid and eventually sells it at very high prices. This very important moment sees the shaping of the modern London that is known today, as a spread-out aggregation of villages. The emergence of these different more or less autonomous territories parcels out the whole city in a moment of mass-urbanization: an extension that is neither planned nor unitary but formed by adjoined local polarities.

Paradoxically the 17th century accelerates the process, despite the succession of the 1665 plague and especially the Great Fire of 1666. The end of the episode of the Commonwealth (1653-1659) – tackled in the next sub-part – which marks the return to some political stability is quickly followed in 1665 by the last of a long series of plague since 1348, which kills one sixth of the city’s population – around 60,000 people (Bourgne et al., 2018, p. 142). The year after that is the one of the Great Fire. Despite the fact that it kills very few people, *“five-sixths of the city were thus consumed, the area of devastation encompassing a mile and a half in length and half a mile in breadth. Fifteen of the city’s twenty-six wards were thoroughly destroyed and, in total, 460 streets containing 13,200 houses were razed. Eighty-nine churches had gone, and four of the seven city gates were reduced to asses and powder”* (Ackroyd, 2000, p. 223). Saint-Paul’s cathedral, the Royal Exchange and Guildhall disappear as well (see the famous painting by Lieve Verschuier in the Appendix p.154). The reconstruction, delegated to Sir Christopher Wren, changes the dynamics of the City. If the plan more or less respects the layout of the medieval streets, the buildings are rebuilt in bricks with larger streets for preventing the propagation of future fires (see the Wren’s plan in the Appendix p.155). The aristocracy of the City and even some of the other merchants and artisans do not return and massively settle elsewhere (Ackroyd, 2000, p. 240). First of all because most of the City and the Strand are

increasingly occupied by industrial activities using coal, which is probably the prominent reason for the lords, aside the will for getting close to the court that until the Glorious Revolution of 1689 (tackled later on) still has prestige amongst the aristocracy. But also because this suburban migration could offer opportunities for escaping the rules of guilds and corporations – probably the prominent reasons for the others.

Thus the urban development of London during the second half of the 17th century and throughout the 18th century, apart from the global multipolar trend earlier evoked, sees a spatial differentiation emerge. On the one hand the residential development along the Strand and for the wealthiest even north and west of it. This is the emergence of West End (see the new representation of London seen from Greenwich in the Appendix p.156). On the other a specialization of the City of London in commercial and soon financial activities. The typical British home as visible today in London – never split into several apartments like in Paris - along the Strand and increasingly northwards and westwards emerges at this moment. Each family of the upper class occupies a home which opens onto the street on one side and onto a garden on the other - with usually a stable that is later on to be replaced by a parking or a garage. The ground floor is half-underground because of the heightening of the streets for circulation purposes (Bourgne et al., 2018, pp. 195–199). The wealthiest lords as for them erect aristocratic hotels. All of this does not obey like in Paris to a planned and unitary vision but is purely a sum of autonomous projects often gathering an aristocratic figure and real estate developers.¹ This urban plasticity is all the stronger when remembering that in many cases London is just a temporary residence for aristocrats who occupy an economic and/or political function in the capital, but who culturally remain primarily attached to their vast domains in the countryside. By depicting the examples of Hackney (north) and Camberwell (south), the British historian Jerry White in his *London in the 18th century* mentions “*the villages around London, still separate from it but falling even more deeply beneath the metropolitan shade*” (White, 2012, p. 74).

Thus the new urban growth of the two capital cities strengthens the spatial patterns already visible in the late Middle-Ages. Because of an especially tight limitation of its geographical spread by the monarchic power Paris becomes extremely dense and spatially constrained, producing the first forms of a centre-periphery split in terms of urban forms,

¹ Some architectural coherence in the early residential projects in West End can be found in the use of the Palladian style, inspired by the Venetian architect Andrea Palladio (1508-1580).

economic regulations and public policies. As for London, the bipolarity between the historic and economic centre of the City and the heart of the monarchic central power in Westminster turns into a multipolarity, with an urban growth that takes the shape of an unplanned aggregation of new neighbourhoods, a patchwork that was already more the outcome of market-forces than the product of coherent planning policies. All of this while both construction of modern States durably take different directions.

2) Two pathways to monarchic consolidation

France and the United Kingdom are the oldest centralized countries in Europe as seen in Chapter 1 – hence their primate urban system. Beyond the already visible differences in the Middle Ages in the relationship between the monarchy, the aristocracy and the merchants of the capital city, Modern Times highlight durable differences in the construction and consolidation of both States. The crisis of the feudal world throughout the 15th century progressively leads to more or less successful attempts for settling centralized monarchic powers above particular aristocratic privileges. In this respect the differences are often depicted as between a French Roman Catholic model of absolutist monarchy and a British Reformed model of parliamentary monarchy. Despite inevitable precisions and debates amongst historians,¹ the distinction remains highly relevant. And the consequences for the government

¹ The reality of the “absolutist” dimension of the French monarchy is at the heart of important debates in historical as well as historiographic literature. The concept of “absolutism” indeed only appears in the 19th century and has since then been criticized by some historians (Henshall, 1992). Others such as Joël Cornette only qualify it, preferring the term “absolute king” or “monarch”, in order to insist more on the personalization of power and the will for a centralized and incarnated one, rather than asserting a clear reality of an autocratic power with extremely coercive means of action (Cornette, 2008). Indeed in his famous essay on the French province of Languedoc during the 17th century, William Beik shows the necessity for political compromises between the king and local feudal elites for implementing a royal administration and building the monarchic institution (Beik, 1989). Focusing on economic issues, the French historian Daniel Dessert reaches similar conclusions on the permanent negotiation between the monarchy and the aristocracy in which taxation is used as a money of exchange for credit (Dessert, 1984). The remarkable 2002 essay by Fanny Cosandey and Robert Descimon convincingly defend the concept against its detractors – a French historiographic tradition behind Pierre Goubert amongst others and the British revisionist school – by showing how all “absolutist” implications of power and ways of governing are permanently debated and criticized by their contemporaries – despite the non-existence of the concept itself. According to them, one of the concrete transformations that globally occurs during the 17th century is the evolution from a rather consultative monarchy that used to associate an even narrow fraction of actors to debates and decision-making (in widened royal councils, assemblies of worthies or the *états généraux* often gathered in the second half of the 16th century) to a power governing

of the capital city and the nature and degree of its development are very important. The object of the next two sub-parts is to highlight them, by starting with a focus on the consolidation of central powers.

The French absolutist monarchy controls and monumentalizes the capital

Through his actions against the popery and feudal lords and the construction of a centralized royal administration, the reign of François I (1515-1543) contributes to building the first steps of an absolutist monarchy.¹ The Wars of Religions (1562-1598) slow this process which is then resumed in the reign of Henry IV (1589-1610) onwards.² The Fronde (1648-1653) is another attempt to limit the growing centralization of the monarchy which eventually fails. The second half of the 17th century and the 18th century then marks the heyday of absolutist monarchy – the figure of Louis XIV being considered the epitome for this³ – which can generally be qualified as highly centralized, with the figure of a king that theoretically concentrates all powers, hereditarily inherited at the expense of other local and decentralized ones – being economic and/or aristocratic.⁴ It is in France linked with the concept of divine right monarchy according to which the power of the king emanates from God and by which the king is « emperor in his kingdom ». In France he receives it from the Pope, illustrating the intricacy of the French absolutist monarchy with Roman Catholicism.⁵

through “small councils.” This indeed corresponds to a more authoritarian and unilateral leadership and power (Cosandey & Descimon, 2002).

¹ Even though in many respects in the late Middle-Ages Philippe le Bel and Louis XI had already settled bases for it. Processes are always more progressive and continuous than they are told retrospectively.

² The French historian Arlette Jouanna rather dates the beginning of the absolutist monarchy to the reign of Henri IV arguing that the Wars of Religions laid the bases of a discrete yet irresistible transformation of the monarchic imaginative world. Since his reign onwards, what had until then been perceived as an exception in the traditional “ordinary” exercise of power becomes the norm (Jouanna, 2013).

³ The figures of high State officials of Richelieu (1585-1642) with Louis XIII and Mazarin (1602-1661) for Louis XIV embody this high centralization of the 17th century. After the death of Mazarin in 1661 Louis XIV even chooses to govern without Prime Minister.

⁴ As brilliantly described by Fanny Cosandey and Robert Descimon the absolute monarchy was not driven by a will for territorial standardization, as shown by the different trajectories of the French provinces during the first half of the 17th century or the earlier evoked collaboration between the monarchy of Louis XIV and the notables of Languedoc involved in the administration of the province. Yet it is in fact this adaptability that went along with the effective penetration of local authorities by the central government (Cosandey & Descimon, 2002).

⁵ Later on in the 19th century France is qualified as the « eldest daughter of the Church ».

Two important events occur, during which the capital plays an important role in the outcome: the episode of the Ligue (1588-1594) during the Wars of Religion and the Fronde (1648-1652). Against the perspective of religious coexistence and accession to the crown of the Protestant Henri de Navarre, numerous cities and feudal lords gather in a union in the 1580s, the Ligue, which militarily fights the royal troops. It takes Paris during the day of the barricades (« journée des barricades ») in 1588, provoking the flight of Henri III who is murdered in 1589. Paris then appears in open conflict with the future Henri IV. The very tough siege of Paris lasts five years¹ and confirms the city in its role as a Catholic defender of the kingdom against the Huguenots.² Paris holds for five years until 1594, when Parisians eventually open the gates to Henri IV in exchange for his conversion to Catholicism.³ This is worth mentioning since it durably anchors the revolutionary potential of the capital city for monarchs, particularly incarnated in the durable image of the « barricades ».

The defeat of the Fronde (1648-1652) both consolidates the absolutist monarchy and the centralization of the State, and reinforces the mistrust of the monarchs *vis-à-vis* the capital city. During the regency – Louis XIV being too young to reign – a double movement of protest rises against the monarchy. On the one hand princes and feudal lords who contest the authoritarianism of the two cardinals that had become ministers and excluded them from power: Richelieu, who dies in 1642, and Mazarin. On the other hand the urban elites – ahead of them the magistrates of sovereign courts – against the numerous taxes levied since the 1630s for the Thirty Years' War. These taxes, the non-payment of the rents of the Hotel de Ville, as well as the will for imposing new constructions of *faubourgs*, bring the Parisians into rebelling against Mazarin in 1648. Several anonymous images and engravings (see the example in the Appendix p.157) show feudal lords holding forth to Parisian bourgeois against the tyranny of « the

¹ The famine is extreme and Parisians are obliged to eat cats and dogs.

² In this respect Paris had been marked in 1572 by the bloody massacre of the Saint-Barthelemy during which around 3,000 Protestants – between 5,000 to 10,000 in France - are slaughtered by Parisians. This event had an important impact on the religious question, converting Charles IX and Catherine de Médicis to the necessity to grant religious freedom to Protestants. But the event itself considerably weakens the Protestant presence in France (Favier, 1997, p. 116). In her remarkable book on this event, Arlette Jouanna shows that there were in fact two events: the political and physical elimination of the top Huguenot elites and the uncontrolled popular massacre, with no historical evidence suggesting that the second would have been planned by the authors of the first. Hence that Arlette Jouanna uses this example, just like the murder of the Duke of Guise (1588) to highlight the failure of these authoritarian demonstrations by the absolute monarchy, which prove in fact completely counterproductive and inefficient in pacifying religious conflicts (Jouanna, 2007).

³ Hence his famous sentence: « Paris is worth a mass » [« Paris vaut bien une messe »].

Mazarin ». In 1649 the young Louis XIV leaves the capital with the regent Anne of Austria and only returns in 1652 after the defeat of the Fronde and the massacre perpetrated by the Prince de Condé.

From now on, probably more than ever, absolutist monarchs fear Paris and its revolutionary trends. The decision of Louis XIV to build the Castle and domain of Versailles and settle there, along with the court, directly comes from this event.¹ This geographical split is consolidated in the 18th century by Louis XV and Louis XVI (Lemarchand, 2017, p. 69). Yet one must not overestimate the political importance of this separation. First of all because Paris still shelters the headquarters of the main juridical and administrative institutions of the kingdom, but also because the feudal, military, magistrate and financial elites, whose importance grows in 17th and 18th century France, still tend to settle their main residence in the capital. Nevertheless for the monarchy this more than ever means controlling the capital city but also use it for power incarnation purposes. This monumentalization² of Paris by the successive kings strongly characterizes the urban – and especially architectural – history of Paris. There is a wide array of examples. One of the most typical is the creation and organization of royal squares, with permanent references to the Roman Empire,³ by which Louis XIV rewards his ministers. He asks Mansard to design the Place Vendôme and the Place des Victoires. An Arc de Triomphe is commanded to Colbert for the Place du Trône – future Place de la Nation – but will not be constructed. Last for not least, he orders the building of the Hotel des Invalides – by Jules-Hardouin Mansart and Libéral Bruand – which is considered as one the masterpieces of classical architecture, giving us another example of the monumentalization of Paris.⁴

¹ There are in fact additional reasons for Louis XIV to dislike Paris, notably the anchorage of Jansenism in the capital with which an open conflict occurs in 1660 onwards (Favier, 1997, p. 289).

² This term does not exist in English. I use it in the same meaning as the French verb « monumentaliser » which means providing something with a monumental aspect.

³ This is true of the 17th and early 18th century with the examples given here. But this monumentalization of Paris by the French monarchs harks back centuries. Let us recall the construction of the Sainte-Chappelle. Later on Henri IV does the same with the construction of the Place Royale – future Place des Vosges – with an influence of the French architect Alberti. While these squares sometimes had functional purposes, they were often leisure places with statues and/or pavilions with both Roman and royal references.

⁴ Conversely the realization of prestige public edifices in London by the 18th century Hanovrian monarchs is extremely limited, mostly because of the tight control of public finances by the British Parliament. In this respect the only notable spending by the king concerns military buildings such as the

This monumentalization goes along with the will for controlling the capital. The institutional grasp of the king on Paris is indeed visible during the 17th and 18th century, while the municipal power of Paris partly falls into pieces but without being completely deleted (Bove et al., 2017, p. 24). In appearance the Hotel de Ville remains but its power is considerably weakened. The king now personally intervenes in municipal affairs for controlling the results of the elections. For instance in 1603 onwards he controls the election of the provost of merchants, who is then no longer an alderman but becomes some sort of high-ranking official and intendant of Paris with a dedicated administration, which means that the sole alderman level remains the expression of regulations between local powers. Throughout centuries the Hotel de Ville is somehow depoliticized,¹ even if it keeps some important prerogatives beyond its symbolic prestige, for instance as an intermediate for public loans to the monarchy. It is still in charge of organizing official ceremonies but also still manages the daily urban life related to the ports and the trade on the Seine, in the city but also its neighbourhoods. Last but not least, the control of the capital is embodied by the new power of general lieutenant of police (*lieutenant général de police*), which in 1674 replaces the former municipal figures of civil lieutenant and crime lieutenant, and settle in the Châtelet—effectively ending the juridical co-management of the capital between religious and monarchic figures inherited from the Middle Ages. Following requirements made after the Fronde, the creation of this figure is met with a whole trend of professionalization of royal armies and troops, who mark the decay of former bourgeois militias. His prerogatives are very large and include surveillance, registration, regulation and justice in wide socioeconomic areas of urban life.

The consolidation of the French absolute monarchy of Roman Catholic settlements thus coincides with the defeat of political and economic local powers with aspirations to higher autonomy, which were especially carried out by aristocratic and bourgeois elites and whose actions mostly occurred in the capital city. From this consolidation of the absolutist monarchy derives as developed later on a particular vision of centralization, authority, as well as economic and territorial development.

construction of the casern for his horse-riding guards at the heart of Whitehall, of new Palladian style with square towers conceived by William Kent (Bourgne et al., 2018, p. 203).

¹ Some bourgeois of Paris at that moment try to re-invest this institution, as described in the next sub-part, but with limited success because of the increasing closed nature of the institution.

The failure of absolutist monarchy in Britain and the consolidation of parliamentary monarchy

The end of the Middle Ages is also tough for the British kingdom, which is confronted throughout the 15th century to both an external – the Hundred Years’ War – and internal conflict: the War of the Two Roses, which opposes the two feudal families of the York and the Lancaster. Just like in France at the time with the opposition between the Armagnacs and the Bourguignons, the country is dealing with a crisis of the feudal world, which had seen the consolidation of complex systems of aristocratic and geographical alliances. The ending of these decades of internal conflicts also goes through the upper emergence of a modern monarchy with a more personalized power. The birth of the Tudor dynasty with the marriage of Henry of Lancaster (who becomes King Henry VII) and Elizabeth of York in 1485 effectively ends the War of the Two Roses.¹ Because of these previous decades of internal conflicts, the Tudor regime is based on order and specifically on a will to better control the House of Commons,² which represents economic, financial and commercial interests of England, for carrying out military conquests and territorial expansion of the kingdom.³ To quote the British historian Peter Ackroyd describing this moment “*the city had forfeited some of its independence to Parliament and to the sovereign, even to the extent of accepting Henry VIII’s recommendations for the mayoralty, but in turn it had become the recognised capital of a unified nation. The municipal idea had been displaced by a national ideal – and how could it not be so in a city which was now largely populated by immigrants ?*” (Ackroyd, 2000, p. 105). This is notably a moment of relative monumentalization of London by the monarchy through

¹ Each of the two aristocratic family had a rose as a symbol: white for the York and red for the Lancaster. The famous Tudor rose as a mix of both becomes the symbol of this reconciliation (Appendix p.158).

² The House of Commons of England was the lower house of the Parliament of England, which was settled in 1341 with the division by Edward III of the Parliament of England. The clergymen and the lords would gather in the upper House of Lords while knights and burgesses/merchants would gather in the lower House of Commons, which remains subordinated to both the king and the lords but could play an important role in Britain’s political life. With the union with Scotland in 1707 it is replaced by the House of Commons of Great Britain.

³ Most of Shakespeare’s plays are related to the consolidation of the Tudors under the reign of Queen Elizabeth (1558-1603) and the justification of their authoritarian policies. Indeed the eight plays he wrote on the War of the Two Roses, especially the ones of the second tetralogy – *Richard II* and the two *Henry IV* – keep depicting a kingdom in a state of internal decrepitude and hence of external weakness. At a time when Portugal and Spain are the main colonial powers, and when England is absent from the first globalization – from the 1494 Treaty of Tordesillas for instance. In this respect Shakespeare could somewhat be qualified as a Tudor ideologist.

the construction of Westminster Abbey.¹ Beyond recognized economic and diplomatic successes, Henry VII starts a process of consolidation of the monarchy, which is at the time still Roman Catholic.² And before 1533, King Henry VIII (1509-1547) shows signs of allegiance to the popery as well.³

The Anglican schism in 1533 does not change the general monarchic consolidation under the Tudors but has long-term structuring consequences. Witnessing the refusal of Pope Clement VII to agree to his divorce with Catherine of Aragon, Henry VIII still decides to marry Ann Boleyn in 1533 and thus breaks the link with Roman Catholicism. The 1534 Act proclaims the King head of the Anglican Church, which generates oppositions – first of all from his chancellor Thomas Wolsey who is executed. More broadly it opens a complex sequence for the monarchy in which several affiliations oppose, of course between the defenders of the Reformed Church and of Roman Catholicism, but also within the Reformed Church.⁴ The transition period from the death of Henry VIII and the reign of Elizabeth (1558-1603)⁵ highlight the beginning of new dialectics between different powers claiming different religious backgrounds which will structure British politics all along the 17th century. The example of « Bloody Mary » is in this respect relevant. The successor of Henry VIII Edward VI is protestant and reinforces the

¹ The construction of the abbey is ordered by Henry VII. While most Europe at that time is characterized by an Antique tropism England is still influenced by gothic architecture and more precisely by Perpendicular Gothic (« gothique flamboyant » in French), which strongly influences Westminster Abbey and its fan vaults (see the painting of it by Canaletto in 1750 in the Appendix p.159).

² Yet even at that time “*the few miles that separate London from Westminster are symbolically impassable: the Tudors had well understood this, when they installed their State palace in Richmond and Hampton Court, opportunely built by the cardinal Wolsey, on the Thames halfway between London and Windsor*” [“*Les quelques miles qui séparent Londres de Westminster sont symboliquement infranchissables: les Tudors l’avaient bien compris, quand ils ont installé leur palais d’Etat à Richmond et à Hampton Court, opportunément construit par le cardinal Wolsey sur la Tamise à mi-chemin entre Londres et Windsor*”] (Genet, 2005b, pp. 181–182).

³ He for instance writes a theology essay in Latin in which he violently criticizes the position of Luther on Transubstantiation, for which he gains the title of *fidei defensor* (defender of the faith) by the Pope Leon X.

⁴ The Anglican Church is based on compromises. Hence that it shelters different religious conceptions which are also different conceptions of power. The High-Church, which today still gathers those considering that the Anglican Reform went too far and that it should not have broken the link with the Roman Church. Within this group the Anglo-Catholics are especially attached to it and believe in Transubstantiation. The Low Church, gathering those convinced that the Anglican Reform remained too close to Roman Catholicism. Eventually the Broad Church who roughly defend an intermediate position.

⁵ The union of Henry VIII and Ann Boleyn only gave birth to a daughter, Elizabeth, who is originally in a very bad position for taking the throne – apart from her still living father, she is less legitimate than her younger brother – Edward – and her elder sister Mary.

schism. Yet when he quickly dies, his sister-in-law Mary Tudor takes power with her Catholic councillors including the famous Stephen Gardiner. On top of that against the will of Henry VIII she had married Philippe II of Spain. When she claims power Londonian merchants are convinced that she is about to sell the economic interests of Britain to Spain. She is seen at the same time as under the influence of the Catholic archbishop Reginald Pole and of her husband Philippe II. In other words the economic interests of the kingdom are seen as being on the verge of being sacrificed on behalf of Roman Catholicism. Eventually she is nicknamed « Bloody Mary » because of her attempts for implementing an Inquisition policy – generating many riots (see Appendix p.160) - and dies in 1558. From the point of view of many feudal lords and merchants, Roman Catholicism becomes associated with authoritarian and absolutist power. This fear structures most of Britain's 17th-century politics.

The 17th century is politically key for England and also very complex. Two main episodes are worth attention: on the one hand the first fall of the Stuarts and the installation of the Commonwealth (1649-1660) – also called the « Interregnum » -, and on the other hand the Glorious Revolution (1689). The Stuarts succeeds to the Tudors in 1603. The whole dynasty – who reigns all along the 17th century except the Interregnum – is balanced between the return of a Roman Catholic monarchy, which would mean a French model of absolutist monarchy, and the maintain and/or pursuit of Reformation. Charles I, who reigns since 1625, wishes to re-install a divine right monarchy and keeps asking for money to the House of Commons¹ on the alleged pretext of military campaigns but mostly for leisure purposes of the Royal Court (Bourgne et al., 2018, p. 123). Very badly advised by Thomas Wendsworth and facing the growing opposition from the Parliament to his absolutism goals, he attempts in 1642 to coerce the House of Commons by arresting five of its members (see the event of the attempted seizure of the Five Members painted by Charles West Cope in the Appendix p.161). These members flee to the City. When Charles II gets to Guildhall he experiences a very hostile reaction from the street claiming for the respect of the privileges of the Parliament (Bethmont, 2011, p. 101). This event marks a breakdown between the King and the Parliament, and leads to two civil wars (1642-1645 and 1648-49). Betrayed by his own troops Charles I is arrested and executed in

¹ In 1406 the House of Commons has been granted the right to issue « Money Bills ». As related by Shakespeare in his play *Henry IV*, Henry of Lancaster, who takes the crown in 1399, for obtaining his legitimacy from the Parliament, grants this prerogative to the House of Commons on the justification that the Lords do not pay taxes and therefore have nothing to say on taxes and finances. Only the House of Commons can give the final decision on these matters, on the principle applied in England since 1406 of « no taxation without representation ».

1649 – he is the only executed monarch in the history of Britain -, ending the first part of the Stuart dynasty. The royal army could not cope with the Parliamentary army very well-funded by the resources of the City of London, which largely contributed to the victory of the Puritan Revolution. Yet most of its inhabitants and political leaders quickly mistrust the new regime. The Interregnum period indeed resembles a military dictatorship, which keeps asking for funding that the City is more and more reluctant to deliver, and ends when the Lord Protector Oliver Cromwell – who was primarily a military dictator - dies in 1559 without having planned his succession (Marx, 1993, pp. 251–252). His son Richard Cromwell having refused to take power, the monarchy is restored by the Parliament in 1660 and Charles II, the son of Jack I who had been executed in 1649, gets the crown.

The final defeat of absolutist monarchy in Britain occurs in the late 1680s with the reign of James II – the second son of Charles I and the brother of Charles II who reigns from 1660 to 1685. He was married to the Anglican Anne Hyde who dies in 1671 before his accession to the throne. He then marries the Italian princess Mary of Modena, who immediately raises suspicion on his Roman Catholic allegiances – as discovered later on he had indeed converted to Catholicism in the late 1660s. The opposition to James II focus on two main elements. One year after the beginning of his reign, in 1686, he tries to use the dispensing power, by which the king is allowed to ignore the Parliament when he considers that the debates would be too long, which is granted to him by the English common-law courts. The following year he issues the Declaration of Indulgence, which grants religious freedom and suspends penal laws imposing conformity to the Anglican Church and ends the requirement of affirming religious oath for accessing positions in governmental office – effectively opening these positions to dissenters.¹ The opposition grows around the figure of Henry Sidney and members of the House of Commons – later known as the « Immortal Seven » - then write a letter to William III, who is Stadholder of Holland, and Mary to ask for their help in countering the king’s absolutism. They reach England in 1688 and after several battles they are welcomed triumphantly in London

¹ Since the Reformation of 1533 all those who do not belong to the Anglican Church are qualified as « dissenters », which therefore theoretically apply not only to Non-Anglican Protestants or other confessions but also to Catholics. All the political ability of the Stuarts in the 1670s and 1680s is to maintain the ambiguity on whether or not the Declaration of Indulgence apply only to Non-Anglican Protestants or also to Catholics. Indeed Charles II had tried in 1672 to pass a first Declaration of Indulgence, which the Parliament had seen through by passing in 1673 the Bill of Test, explicitly forbidding Catholics to access positions in the State administration but also kings to marry a Catholic without granting by the Parliament.

while Jack II eventually flees England.¹ The Parliament produces the Declaration of Rights which becomes after being voted the Bill of Rights. The crown is given to William III in exchange of his acceptance of this Bill of Rights (see the representation in the Appendix p.162).² This event becomes known as The Glorious Revolution or The Bloodless Revolution (1688-89).³

Thus throughout the 17th century the power step by step moves from monarchic to parliamentary blocks. The Parliament of 1688-89 restores the monarchy but the monarchy serves the nation and not the other way round. The Bill of Rights is based on several important principles: rule of law – no power is legitimate as long as it is not submitted to the law, namely to the Parliament -, no taxation without representation, no standing army in times of peace, no court of ecclesiastical commission, right to petition the king and freedom of Parliament. The royal and executive power therefore emanates from the Parliament, who represents the nation through its two chambers, which controls it. In 1701 it even organizes the succession. The system of parliamentary monarchy is settled, while in France the absolutist monarchy is in place.⁴ This part has tried to summarize these parallel sequences through some key events for

¹ He makes a final attempt to conquer his throne through Ireland (the base of Catholicism in Great Britain) but fails in the Battle of the Boyne in 1690. He then flees to France where he settles in the castle of Saint-Germain-en-Laye given to him as a residence by Louis XIV. Three times Ireland and then Scotland are the launch base of attempts by the Stuarts to get the throne back all along the 18th century. First by the son of James II James Francis of Stuart through Scotland which fails in 1719 in the Battle of Glen Schiel. Then by its son Prince Charles-Edward of Stuart, known as « Bonnie Prince Charlie », still through Scotland, who definitely ends the aspirations for divine right monarchy in England by losing the battle of Culloden in 1746.

² The principle of « government by consent » is then analyzed and theoreticized by John Locke as soon as 1690 in his *Two Treatises of Governement*. Jean-Jacques Rousseau's concept of « social contract » is already contained here. It is no coincidence that the French Enlightenment movement in the late 17th and whole 18th century – Pierre Bayle, Montesquieu, Diderot, Voltaire and Rousseau - all have a British political tropism. Voltaire's *Lettres philosophiques* » are for instance subtitled « Lettres anglaises ».

³ The British historian Steve Pincus rightly criticizes the Whig historiography embodied by Thomas Macaulay's *History of England* (1848) according to which the Glorious Revolution had been a conservative and “soft” one. In his 2009 essay *The First Modern Revolution* he conversely shows that it was structured, not by religious oppositions, but by conflicts between various modernists on the improvement of State management, which are eventually won by those whose modernization model is rather the United Provinces than the French Absolute Monarchy (Pincus, 2009).

⁴ By no means does this entail a weakness of even lightness of the British State. The great historian John Brewer shows that the whole British 18th century sees the development of a “*fiscal-military State*” in order to support the numerous conflicts that the country engages in (Brewer, 1989). All this happening suddenly within a brief sequence (1689-1714) that ends its relative anterior isolationism: the Nine Years War (1688-1697), the War of the Spanish Succession (1701-1714), the War of Jenkins' Ear and of the Austrian Succession (1739-1748), the Seven Years' War (1756-1763) and the American Revolutionary War (1775-1783). John Brewer describes a causal phenomenon between war, finance and bureaucracy,

insisting on historical contingency. Even though some of these differences can be traced back to the late Middle Ages it is a complex sequence of events that has led to these different yet not written in advance outcomes.

The French historian Jean-Philippe Genet summarizes this whole secular sequence as follows: “*Decapitated in front of its palace by order of the Parliament and those who represent the political society, Charles I is the victim of a mixity that will only be able to revive when the British society, after the “Glorious Revolution of 1688”, will definitively have imposed its power to the sovereign; at this price, the cohabitation of the king and the City if possible. A few years before, Louis XIV will as for him have left his capital when the Fronde made him feel its power, for settling in Versailles...Indeed, the Ligue first, the Fronde then, possibly made some Parisians – but already they are members of parliament more than bourgeois – consider for Paris a rather similar role as the one of London, the one of a City politically autonomous and master of most of its destiny in the context of a modern State in full development. The triumph of absolutism in France (whatever the meaning given to the term, one clearly sees how far from the British model the French model is) will bring about another outcome*”¹ (Genet, 2005b, p. 182).

and depicts the striking transformation of the British State, which is capable of keeping a more and more intense and costly effort of war, through a massive increase of taxation and public debt and the development of a dedicated administration, while maintaining the typical “British liberties”. The key understanding element here might lie in the different decision-making process and the thus higher consent to taxation in the British case. In this respect, some historians claim that military conflicts were the primary causes for the development of modern States of which the absolutist monarchy would be the accomplishment. Fanny Cosendey and Robert Descimon rightly criticizes this view by mentioning the example of the Reformed *Dévôts*, which in 17th century France were in favour of a reinforcement of the absolute monarchy against the autonomy of the Provincial States. They were driven away by Richelieu during the 1630 Day of the Dupes, precisely so that he can choose the war against the Catholic Habsburgs and thus the alliance with the Protestant States (Cosandey & Descimon, 2002). In other words, even though military conflicts partly played a role in the development of modern State administrations, no real quantitative and causal links can be inferred since a higher administrative development of the absolute monarchy could sometimes be contradictory to the maximization of the effort of war. And conversely since the relatively lower State administration in Britain could go along with higher efforts through higher consent to taxation and in the end military victories.

¹ “*Décapité devant son propre palais sur ordre du Parlement et de ceux qui représentent la société politique, Charles Ier est la victime d’une mixité qui ne pourra revivre que lorsque la société politique, après la « Glorieuse Révolution de 1688 », aura définitivement imposé son pouvoir au souverain ; à ce prix, la cohabitation du roi et la Cité est possible. Quelques années auparavant, Louis XIV aura quant à lui quitté sa capitale dont la Fronde lui a fait éprouver la puissance pour s’installer à Versailles...En effet, la Ligue d’abord, la Fronde ensuite, ont pu permettre à certains Parisiens – mais déjà, ce sont des Parlementaires plus que des bourgeois – d’envisager pour Paris un rôle un peu semblable à celui de Londres, celui d’une Cité politiquement autonome et maitresse d’une bonne partie de son destin dans le cadre d’un Etat moderne en plein développement. Le triomphe de l’absolutisme en France (quel que soit*

Conversely in Britain, Modern times mark the failure of the absolutist monarchy with Roman Catholic background, and the consolidation of what is known as the parliamentary monarchy. This “government by consent” places the monarch and therefore the State under permanent control of the Parliament, which is the expression of aristocratic and bourgeois interests. With the durable effect of favouring the emergence of bottom-up interests and in the end, as now described, of at least partly explaining the different percolation of scientific and technological breakthroughs across the whole society, as well as their transformation into economic development.

3) Two capital cities in two different models of State construction

The last sub-parts thus aim at showing how these different constructions of central governments have implications for the nature and degree of development of the capital cities but also of the whole countries, at a critical time when the Industrial Revolution is emerging during the second half of the 18th century.

Constrained Paris and plastic London: setting the stage for the Industrial Revolution

As seen in the first sub-parts the 18th century is marked by a quicker growth of the British capital which for the first time in history becomes more populated than Paris. The consolidation of the French absolutist monarchy limits the development of the French capital, by firmly controlling both its institutions and its urban development. The bourgeoisie of Paris then continues to invest institutional positions in the royal administration and the Hôtel de Ville, but then as high-ranking officials defending corporatist interests. During the 18th century the aldermen become increasingly non-aristocratic merchants: seven out of ten between 1719 and 1745 for instance (Bove et al., 2017, p. 25). The central position of the Six bodies of merchants (*Six Corps des marchands*) structures the economic life of the French capital in the 17th and 18th century: drapers, grocers (or druggists/pharmacists), mercers, furriers, hosiers and eventually the one of the gold and silversmiths. As the Hotel de Ville loses political prestige these bodies invest positions in it and benefit from almost aristocratic privileges from the central government, maintaining the control from their corporations on the urban economy, especially in the regulation of the labour market and prices. Around the closed and protectionist economy

le sens que l’on donne au terme, on voit bien que à quel point le modèle français est éloigné du modèle britannique) en décidera autrement ».

in the City of Paris the *faubourgs* around become areas for economic liberty where neither the constraints of organized corporations nor taxes at the entry of the city apply.

As seen previously London grows more quickly at the time and through a multipolar and unplanned shape. The development of wealthy houses in the West End happens on aristocratic lands subject to entailment, namely that cannot be sold but only transmitted to the legitimate heir at the death of the owner. These entailed lands often come from the selling or giving of monastic lands by the monarch to its most faithful servants. Confronted to an increasing demand for urban and residential development, the owners can only build houses themselves and rent them, which would require important capital investment. In 1661 the Count of Southampton comes up with a system – massively copied since – in which the land is divided in parcels that are each rented in the beginning of the construction to investors who make the engagement of building high-ranking homes – the future Bloomsbury Square. Once built they will rent the homes for the 42 years of the lease – duration that gets longer and longer during the 18th century onwards until reaching the 99 years that is known today – before the whole buildings become the property of Southampton. Hence the numerous Estates nowadays present, which remain the properties of old aristocratic British families.

The new development of London that occurs in the second half of the 17th century onwards also sees a multiplication of new forms of shops with windows and an array of products beautifully presented. And the development of modern practices of *shopping* for which London is pioneer. All of this being favoured by a considerable improvement of comfort in the streets. Pavements appear all along the 18th century – Paris copies them in the 1780s onwards (Bethmont, 2011, p. 129) - which favours walks and shopping practices with shop windows all along. Public lightning starts as soon as the 1680s. Other elements relative to these new forms of urban consumption appear such as coffees, clubs and gardens. Cafes (or coffeehouses) – in which this new drink from the colonies is served - become the emblematic locations organizing social and even political life (Bourgne et al., 2018, pp. 187–188).¹ As for clubs they re-emerge as a kind of secular version of the medieval fraternities, gathering people – exclusively men at the time – around a specific interest or community, often at night in a tavern or at someone's place. The most famous example is probably the Royal Society of London, originally a club

¹ For instance the opposition between the Whigs and the Tories is socio-geographically quite structured in specific coffees: the Whigs gathering in the Saint-James while the Tories go to the Cocoa Tree on Pall Mall avenue.

founded in 1660 and gathering a group of physicians reuniting one a week for scientific discussions.¹ Receiving royal sponsorship in 1662, it is today once of the most important societies in England.² Eventually gardens and parks appear in this new 18th century London. Some of them are private domains issued from lands appropriated by Henry VIII which are step by step opened to public frequentation – Hyde Park is the first one in 1637. Beyond these royal parks many « pleasure gardens » appear (Ross & Clark, 2012, pp. 142–143; White, 2012, pp. 319–327), in which at night music, food and drinks as well as fireworks sometimes can sometimes be enjoyed (see the famous Vauxhall Pleasure Gardens in the Appendix p.163).

In this early urban and commercial development the City of London becomes a world financial centre, benefitting from Britain’s colonial expansion but also the development of the banking system as well as the rise of a national debt. As previously mentioned the City of London already sheltered financial activities. Yet in the 17th century onwards a real financial market appears. After the attempt of Charles I in 1640 to appropriate the private funds that were previously all deposited at the Royal Mint in Tower Hill,³ new banking activities from goldsmiths emerge – they are all the more inclined to welcome these funds for then lending them with interests. These loans are very different from medieval ones since goldsmiths lends money belonging to others, while medieval merchants used to lend their own money. With the development in the capital of goldsmith bankers London then starts concentrating money from the whole kingdom. This new system leads to the creation of the Bank of England in 1694, protected by Royal Charter (Bourgne et al., 2018, p. 183). Apart from the shares of the Bank of England, those of the new colonial companies are very appreciated as well (East India Company or South Sea Company for instance). During the whole 18th century speculation is not regulated despite some attempts such as the creation in 1772-73 of a Stock Exchange, which does not really change the existing practices. Thus “*by the end of the eighteenth century “the City of London” was only part of the city; instead of being essentially London it had turned into an enclave within London. This led to no diminution in its power: the dispersal of its population,*

¹ The origin of the club relates to informal reunions in the 1640s gathering a small group of scientists and thinkers such as Christopher Wren, Robert Boyle, John Wilkins, Robert Moray and William Brouncker.

² Another royal charter in 1663 designates the king as the founder of this Royal Society for Promoting Natural Knowledge. But it is not the case, unlike the French Academy of Sciences founded by Louis XIV through Jean-Baptiste Colbert in 1666 as well as the Observatory in 1667.

³ Which had been granted the monopoly for emitting the currency but had also become a mass-deposit location.

and the attendant removal of various trades and occupations, allowed it to focus its energies even more fiercely upon commercial speculations. The City became purely a place of business. It remained the financial capital of the world, even if it was not in itself the capital of England; for that purpose, it was continually recreating itself in each generation” (Ackroyd, 2000, p. 519).

Thus as London demographically and economically overcomes Paris for the first time, its higher urban plasticity reflects in the multipolar endogenous emergence of organizations and structures turning it into a leading financial, trade and consumption centre. This development is catalysed by the growing expansion of the British colonial Empire and the replacement of France by Britain as the leading power throughout the 18th century,¹ which once again places and strengthens London in its role as the economic and commercial interface between Britain and the world.

State constructions and the favourable environment for growth

These different State constructions coincide with different urban growth of the two capital cities and, as evoked later on, unequal Industrial Revolutions. In his famous essay *Protestant Ethic and the spirit of capitalism* Max Weber asserts that modern capitalism somewhat emanated from Protestant ethics (M. Weber, 1905). This historical parallel history suggests that a link might be found not in the Reformation in itself, but in the different conceptions of central power and authority behind both Roman Catholic absolutist monarchy on the one hand, and Reformed parliamentary monarchy on the other. Indeed Catholics and Protestants diverge on the vision of authority for religious purposes linked to the interpretation of the Pentecost. According to Roman Catholics the twelve disciples were present, with probably Mary but apart since she has been receiving a special grace. Having become bishops, the apostles are above the people and lead them to salvation. The authority is hierarchic and based on a figure that was not present at the beginning: the Pope, who arrives quite late in history as a figure for religious authority. In the Reformed perspective, the apostles and Mary are the whole community – the others have left – and thus the Holy Spirit has descended on all the people, not some selected ones. When the totality is gathered, the Holy Spirit expresses through it. Hierarchical authority is here replaced by the authority of the community. All the

¹ The 1763 Treaty of Paris which ends the Seven Years' War (1756-1763) is often invoked by historians as one of the turning points in the advent of Britain as the world's leading political, economic and military power.

people are equal since they are all gathered around the table. Everyone is minister and everyone is bishop. The community makes a priest out of each of its members who collectively form the presbyter.¹

From these different conceptions derives the conceptions of power earlier evoked. In the Roman Catholic approach the hierarchical authority is embodied by the figure of the absolutist monarch as representing God on Earth. In the Reformed approach the monarch is accountable to the community. Hence the famous principle of « a monarch who reigns but does not rule », who transcends political contingencies and embodies the nation. A « primus inter pares ». The leader of the majority party² is accountable to the Parliament, just as the executive power is accountable to the legislative power. In the French absolutist monarchy, everything converge to the king and everything emanates from the king. These differences are epitomised in the famous oppositions between the French and British visions of gardens (see Appendix p.164-165).³

From these conceptions of authority and political systems different visions of economic development can be inferred. In the French case of absolutist monarchy the dominant belief is that only the king can change the economic face of the world, which installs the strong French belief in national voluntarist economic as well as planning policies. Unlike in Britain (as stated later on) the structures for promoting scientific progress, as well as for transforming these technical breakthroughs into entrepreneurial and economic developments, emanate from the central government. Contrary to the famous British Royal Society officialized in 1660, the creation in 1666 of the Academy of Sciences and of the Observatory in 1667 comes from the will of Jean-Baptiste Colbert (Duby & Lobrichon, 2008, pp. 130–131), one of the most powerful

¹ Hence also that in Reformed communities the Confirmation is more important than the Communion, since the plenitude of the spirit is recognized by the community.

² The opposition between Tories and Whigs appears with the exclusion quarrel of 1679-80.

³ The philosophical differences underlying the differences in the conception of gardens are notably between John Locke's approach and the British intellectual way on the one hand - from empirics to theoreticization - and René Descartes and the French Cartesian way on the other - from theoreticization to empirics. Is also visible in the juridical opposition between common law (Britain and Wales) and civil law (most of the world including Europe, Asia, South America and much of Africa). The two systems respectively oppose in various features such as the continuity of the legal system (evolutionary / arbitrary), the major source of law (custom and practice / legislative statutes), the reliance on precedent (strong / weak) or the type of legal reasoning (inductive / deductive)

ministers of Louis XIV,¹ and is indeed represented with the monarch at its heart (see Appendix p.166). This centralized and demiurgic model² gives birth in the 17th century to the Royal Manufactures,³ also inspired by Colbert. Numerous manufactures are created in the country and some in Paris in the 1660s onwards, such as the Royal Manufacture for tapestries in Saint-Marcel in 1662 which in 1667 becomes the Royal Manufacture for furniture to the Crown. It is more known as the Manufacture des Gobelins, which is epitomized as the manifestation of the demiurgic power of the monarch (see the representation Appendix in the p.166). Other examples can be mentioned in Saint-Antoine around the production of earthenware (Favier, 1997, p. 251). As well depicted by Emile Coornaert, the development of the manufactures all along the 18th century corresponds to the decline of corporations in urban life. Not that both are contradictory. Some manufactures simply relate to material simplifications, gathering scattered activities and workers in larger spaces, and both models are extremely controlled and regulated. The true opposite model relates to the development of the *sociétés* – geographically settling in the *faubourgs* - which freely group entrepreneurs without any control by their peers

¹ “Colbertism” then designates an economic system based on protectionist policies and State intervention in economic development for wealth-accumulation purposes. It is often used as a generic term for designating State interventionism in the economy or “dirigisme” *à la française*, way beyond the sole figure of Jean-Baptiste Colbert. Having studied in his thesis the figures of the royal inspectors in the manufactures, the historian Philippe Minard criticizes the idea that “Colbertism” would have constrained economic progress and individual dynamism, which to his mind relates to a liberal historiography inherited from the criticisms of manufactures by liberal 18th century thinkers or politicians like Turgot (Minard, 2008). He rightly asserts that the inspections of the manufactures had so far only been perceived under the angle of coercive policies and constraints, and neglected its incentive and informational dimensions in favour of implementation of industrial statistics as well as diffusion of innovation (Minard, 1998). His main argument against the detractors of “Colbertism” consists in saying that these policies were the result of demands from the bottom by economic actors themselves, and that the affirmation of freedom of enterprise and the abolition of corporations under the French Revolution (the 1791 laws d’Allarde and Le Chapelier) had generated more fears than joy within the bourgeoisie (Minard, 2008). This is forgetting that those indeed expressing these opinions and studied by the author, such as the economic actors asking for State intervention and protection during the 18th century, were the very ones benefitting from these royal institutionalisation and regulation. In this respect this is neglecting that this Colbertist interventionist model – for which the debate mentioned above only focuses on a short-term sequence of two centuries - harks back way before and relates to a longer institutionalization process of a centralized monarchy amongst both urban economies and aristocratic provinces. The effect of monarchic centralization on the weaker French industrial revolution (tackled in the next part) can only be understood in such long-term dimension.

² Before this Academy of Sciences, which clearly illustrates the will for the centralized monarchy to control intellectual and scientific life, other equivalent organizations had been created such as the famous French Academy (1635) and others for painting and sculpture, dance, and later on music and architecture.

³ A manufacture in general is a place in which products are hand-made by workers.

and hierarchical control: “*While the State monopolizes corporations, individual initiative takes this organizational form that is the true antagonist of the corps de metier*” (Coornaert, 1941, pp. 160–161),¹ but whose activity remain therefore rather scattered.

On the other side, development is mostly based on private initiative which is a possibility and even a duty for individuals. In this respect both merchants and aristocrats play a central role in the diffusion of technical improvements and economic development in 17th and especially 18th century England, which gets far ahead other countries at the dawn of the Industrial Revolution. On the one hand thanks to an Agricultural Revolution. Originally British villages were organized around “commons”,² namely small communal lands from which less-fortunate people of the parish could get a part for cultivating something (see the model of a Medieval Manor in the Appendix p.167). All this disappears throughout the 18th century with the movement of enclosures,³ which corresponds to the reorganization of lands and rationalization of agricultural production, all of which leading to a massive rural exodus – people working in the former commons could no longer survive these productivity gains. This reorganization of the agricultural lands coincides with several technical breakthroughs such as the seed drill in 1701 (invented by Jethro Tull) as well as the four-field crop rotation system (by Charles Townsend) which effectively ends fallow. All of this is carried out by feudal elites on their lands, as for instance depicted by multiple paintings by 18th century important British painters such as Thomas Gainsborough and George Stubbs (see Appendix p.168).⁴ The technical and economic advancement of England at the time is impressive. Conversely in France, to link this with our comparison of the two models of power, State and authority, the aristocracy is generally absent from its lands, stuck in Versailles around the absolutist monarch from which every initiative has to emanate.⁵

¹ “Au moment où l’Etat accapare les corporation, l’initiative individuelle adopte cette forme d’organisation qui est l’antagoniste véritable du corps de métier”.

² Which is why many train suburban stations today carry the name “common”, such as Clapham Common.

³ In his famous 1770 poem « The Deserted Village » Oliver Goldsmith describes the disappearance of commons which generated mass-rural exodus.

⁴ George Stubbs is amongst the most important painters of 18th century England. He has made numerous paintings on animals – mostly horses of which he has published an essay on the anatomy - sometimes with an aristocrat, each one wanting to show their technical advancement in the growing genetic experiences on cattle.

⁵ To put it more precisely this is true of the upper-aristocracy which on average spends three to four months a year in Versailles. Yet undoubtedly the proximity of the king is such an issue for power and

The role of the 1689 Glorious Revolution in consolidating parliamentary ascendancy, limited government and secured property rights, and therefore supposedly creating a favourable environment for the industrial revolution, relates to many academic contributions (Acemoglu, Johnson, & Robinson, 2005; De Long & Shleifer, 1993; La Porta, Lopez-de-Silanes, Shleifer, & Vishny, 1998; North & Weingast, 1989). Yet it has been established that these institutional interpretations are only a part of the puzzle. What we are suggesting here is no cause. Simply that the various outcomes of monarchic consolidation mirrored different conceptions of State, authority and economic development, settling the aristocracy in its role as an economic and entrepreneur elite. This was argueably influential at least in the 18th century Agricultural Revolution, itself part of the whole process qualified as the Industrial Revolution.¹

This last subpart on the implications of these different State constructions should be understood less as a causal demonstration – which would be impossible even through a dedicated historical research – than a parallel narration of two urban and national relational systems in their respective process of consolidation, through which similar scientific discoveries differently and probably unequally percolate to eventually be transformed into technological, economic and entrepreneurial outputs. Eventually leading to an observed divergent Industrial Revolution and a divergent role of each capital city in it.

social prestige that it occupies an extremely large part of their activities. Even though it is impossible to infer causality from this, there is a notable absence of equivalent actions by the French aristocracy on technical breakthroughs and productivity increase of their lands.

¹ As developed later on the causality is an extremely tricky matter, both in understanding why the Industrial Revolution occurred and why it did so primarily in Britain.

C - Capital cities in divergent Industrial Revolutions (19th century)

The Industrial Revolution rises in England in the mid-18th century, and not especially in London. Conversely most of the French Industrial Revolution relates to a later process and of relatively smaller dimension, and is almost exclusively carried by the capital (Veltz, 2019). This part analyses how the Industrial Revolution accelerates and confirms the general urban and political trends presented in the previous part.

1) Coping with urban growth of two industrial capitals

In spatial and urban terms, the industrial growth of both capital cities is an acceleration and consolidation of the spatial forms previously described: compact, planned and constrained in Paris; spread-out, plastic and polycentric in London.

The still planned and constrained growth of industrial Paris

After the French Revolution, which does not fundamentally modify its urban and architectural landscape but entails mass-emigration and population loss (from 700,000 inhabitants in the 1780s to 548,000 in 1804), Paris regains population under the First Empire (1804-1815) onwards to reach back 700,000 in 1814 and 785,000 in 1831 (Combeau, 1999, p. 51). The main realizations relate to the building of the new east-west axis of the Rue de Rivoli and the new bridge of the Pont des Arts, which improves mobility in the capital.¹ Since 1785 the new limit of Paris is the wall of the Farmers General (*enceinte des Fermiers généraux*), which is constructed for tax purposes (see Appendix p.169). Created by Louis XIV at the initiative of Colbert in 1680, the Ferme Generale is the institution in charge of collecting indirect tax, customs duty and other products. As the officials in charge of it the Farmers General were perceiving taxes on products entering Paris – wine and other beverages, cattle, straw, wood, coal and others. Two thirds of these taxes used to go to the State and one third to the municipal budget, of which it constituted a major financial resource. With the growth of the Paris agglomeration and of the *faubourgs* earlier mentioned the city limits become increasingly fuzzy and this octroi – the name of this tax on products entering the city – is increasingly cheated. This gives birth to the fiscal wall of the Farmers General, widely unpopular for people

¹ Some other specific monuments with Imperial references are erected such as the column on the Place Vendôme or the famous Arc de Triomphe but which is only completed in 1836. Moreover many names referring to Napoleonic Wars are given to bridges such as Austerlitz (1802) and Iena (1807).

in the capital (Gagneux & Prouvost, 2004, pp. 138–143). Many villages around the city are back then still widely devoted to agricultural production for feeding the capital.¹

The growth continues under the Restoration (1815-1830) and the July Monarchy (1830-1848),² still mostly through important internal migrations. The population of Paris doubles between 1801 and 1851 (Marchand, 1993, p. 12) and reaches a million people in the mid-19th century. A new and last wall is built around Paris and the wall of the Farmers General between 1840 and 1846: the wall or fortifications of Thiers. Obsessed with the 1814-1815 foreign invasion, political and military officials during the July Monarchy decided after tense debates to build fortifications, with a ditch and several forts surrounding it (see Appendix p.170).³ It integrates the communes of Charonne, Bercy, Vaugirard, Grenelle, Passy, Les Batignolles, Montmartre, La Chapelle, and divides the communes of Montrouge, Ivry and Auteuil (Gagneux & Prouvost, 2004, pp. 186–189). It is often depicted as a widely anachronistic decision which encloses Paris from its suburbs at an industrial period where urban agglomerations were growing elsewhere without walls. All around the fortifications a *zone non aedificandi* – with forbidding of building – is created. During the whole second half of the 19th century lower-class people settle informally in this “Zone”⁴ creating shanty towns. As for the communes forming the belt between the two walls they experience at the time unplanned urban growth with very rudimentary housing (Chadych & Leborgne, 2018, p. 154).⁵ In 1859, because the 364,000 people in these communes were living in terrible conditions, the Prefect Haussmann decides the annexation to Paris of all these communes and destroys the wall of the Farmers General in 1860 (see Appendix p.171). The secular pattern of Parisian growth with successive walls and annexations – with catch-up pattern when the reality of urban growth imposes it – thus still prevails during the 19th century. The City of Paris then reaches the limits that are still today its

¹ Charonne, Ménilmontant, Belleville, La Villette, La Chapelle, Clignancourt, Montmartre, Les Batignolles, Montceau, Les Ternes, Passy, Auteuil or Vaugirard.

² Names with reference to Napoleon are changed. The Concorde bridge becomes the Louis XVI bridge. The rue Napoléon becomes the Rue de la Paix. The statue of Henri IV returns on the Pont-Neuf. The white flag from now on floats on top of the column Vendôme (Combeau, 1999, p. 54).

³ The decision was approved by the monarch Louis-Philippe in 1840 because of an external conflict – the “crise d’Orient” – at the instigation of Adolphe Thiers, President of the Council.

⁴ The pejorative name « Zonards » emerges for designating these poor suburban people.

⁵ With the notable exception of the creation of Beaugrenelle and Passy.

present ones.¹ This annexation puts an end to urban industry in Paris, which moves beyond the city-limits to settle in wider spaces and not having to pay the octroi. Well linked to the canals and the railroads of Northern and Eastern France, the new Northern suburbs of Saint-Denis and Aubervilliers start growing (Favier, 1997, p. 159).

The second half of the 19th century corresponds to a wider urbanization of the whole Paris agglomeration, which gets from 2 million people in 1865 to 4 million in 1905 (Bastié & Brichler, 1960, p. 434), while between 1856 to 1901 the City of Paris gets from 1.1 million to 2.7 million people. Under the Second Empire (1851-1870) the Paris urban landscape is widely transformed and modernized. The situation had admittedly got highly problematic with a heart of the city overcrowded with hundreds of thousand people settling in slums and subject to epidemic diseases. Napoleon III puts the Prefect of Paris Georges-Eugène Haussmann in charge a wide urban program of modernization of the capital.² It mostly consists in large new streets contributing to cleaning up the neighbourhoods and facilitating the circulation of people and goods (see Appendix p.173).³ Notably the Ile de la Cité who is modified for allowing better crossing between both banks in order to access the Halles, heart of the commerce in the capital. Haussmann benefits from huge financing – several State loans (1855, 1860, 1865, 1869) and new legislative tools (the decree of 1852) allowing easier expropriation.⁴ Many houses are split or destroyed while new ones are built. A general scheme of façade – the “Haussmanian façade” – is almost systematically applied, so is the alignment of buildings and heights, providing the

¹ This annexation is both depicted as an authoritarian act of the city-centre and a sign of solidarity since it would allow better urban policies in these communes (see Appendix p.172).

² As one of the first real voluntarist urban policy in Paris, around the Prefect are gathered together many engineers from the corps of the *Ponts et Chaussées*: Persigny for the financing, Deschamps for the plans, Alphand for the parks and plantations, Barillet-Deschamps for horticulture issues, Belgrand for hydrology, Dumas for chemistry, Baltard, Ballu, Hittorff, Davioud and Bailly for architecture (Chadych & Leborgne, 2018, p. 160).

³ Beyond these undoubtedly functional purposes, one must not ignore the military dimensions of these urban policies. Since centuries and especially since the late 18th century onwards Paris had been the heart of riots taking the form of barricades. Large axes are easier to control than a dense and complex medieval street network.

⁴ A national dimension must also be stressed. To nationally justify the costs of these policies for improving the economic and urban life in Paris *vis-à-vis* the Province, the Second Empire thinks this new network of large avenues as a way of better connecting the Paris train stations with one another, at a time when the national train network centred on Paris is being developed. The costs for these policies are also justified by the economic advantages for the other territories in better trade and selling of their goods to the large consumption market that is the capital. In a way Haussmanization relates to an adaptation of Paris to the consolidation of a national market.

capital with an architectural linear coherence or regularity – applied to 40,000 new homes and thus 60% of the buildings of the capital - that is in many respects absent in London (see Appendix p.174). Many monumental squares are created or modernized,¹ with monumental realizations such as churches or city halls of the new 20 *arrondissements*, with a fine visual work on perspective between each one of them. So are many public green parks.² Many of the realizations of Haussmann are completed by the Third Republic between 1870 and 1914. Yet despite the voluntary annexations the Paris agglomeration expands beyond the city limits during the whole 19th century³ and reaches 7 million people in the early 1920s, with both industrial lands and homes built along the main regional transport axes (see Appendix p.175).

The urban explosion of Victorian London

As previously seen London had grown quicker than Paris during the 17th and 18th centuries. Throughout the 19th century, while the United Kingdom is the heart of a unique Industrial Revolution, the British capital experiences mass-urbanization. As depicted by the British historian Donald Olsen in his essay on *The Growth of Victorian London*, most of the London known today is Victorian either by its architecture, its layout and more generally its inspiration (Olsen, 1976). The British capital becomes the first modern cosmopolitan metropolis in the world, benefitting from its position as the capital of the world's first economic power and at the end of the reign of Queen Victoria (1837-1901) of “*the empire on which the sun never sets*”.⁴ From 900,000 inhabitants in 1801 the city reaches 4.5 million people in 1881 and 7 million in 1911. Understandably since on the contrary to Paris the city is not delimited

¹ The Etoile square, the Saint-Michel square, the Châtelet, the Hotel de Ville, the Opera square or the Estienne d'Orves square.

² The Jardin du Luxembourg, the Jardin des Tuileries, the Jardin des Champs-Élysées, the Jardin du Trocadéro, the Parc Monceau, the Parc Montsouris or the Parc des Buttes-Chaumont.

³ Factories mostly settle in the peripheries for enjoying vast and still available lands. The car and chemistry industries develop in the South-West along the Seine in the Javel plain, while iron industry are installed northwards and eastwards – especially the manufacturing of rail materials. Eventually gas industries develop along the Ourcq canal (Favier, 1997, p. 100)

⁴ This famous sentence was not invented for the British Empire. It was used for designating the Habsburg Empire of Charles V (16th century) and the Spanish Empire of Philip II of Spain (16th century). It is possible that the first use of the phrase dates back to Herodotus who attributed it to the Persian king Xerxes (5th BC century). In the case of the British Victorian Empire it has probably never been more applicable, as shown in 1884 by the adoption of the Prime (or Greenwich) meridian as the world's reference for zero meridian. The famous 1851 Universal Exhibition, which gathers six million visitors in London who admire the huge glass-made and 563 meters-high Crystal Palace, also embodies the unique status of global power of the United Kingdom at the time.

by walls this entails mass-urban sprawl. As seen in the Appendix (p.176) London in 1806 was limited by Hyde Park westwards and on the north by open fields south of today's Euston and Pentonville Roads. Even if it is hard to know for sure, London probably becomes during the first half of the 19th century the most populated city on earth. In 1862 (Appendix p.177), when the city was around 2.8 million people, it spreads from Chelsea (west) to Hackney (east), and Greenwich (south) to Kentish Town (north). Eventually in 1900 (Appendix p.178) the city already spreads beyond the limits of the new London County Council (tackled in the next subpart).

This growth is all the more remarkable that the British capital, unlike Paris for France, is not the heart of the Industrial Revolution – large factories remain rather rare - which occurs in the Lowlands of Scotland and in several cities in Northern England: Manchester, Liverpool, Birmingham or Leeds. It is mostly based on the position of London as the heart of the national communication system and the growing role of the financial services of the City in the increasing global economy. Despite its secondary role in the Industrial Revolution London remains a unique consumption market, attracting people from all England and Wales but increasingly from Scotland and Ireland – especially for the latter because of the famines of 1845-49. Since the United Kingdom remains the most stable political regime during the 19th century London attracts people from all Europe, such as Jews fleeing pogroms in Western Europe and gathering in the East End (Ross & Clark, 2012, p. 222), but also many revolutionary foreigners in search for socio-political liberty.¹ All this urban and economic growth occurs without any modification or extension of the boundaries of the City of London.

This growth structures the capital in social and spatial terms. Not that like in Haussmannian Paris it is expressed by an architectural coherence and prestige. London urbanization remains shaped by market-forces. Internally the main movements concern middle and lower-classes. The aristocracy, who only lives in London part of the year, largely remains in West End, mostly in the areas of Mayfair and Saint-James, but also in Belgravia, newly built in the style of 18th century houses. The main concern is to remain close to the key places of British politics,² which is at the time largely dominated by the aristocracy at the House of Lords

¹ The most famous of them being Karl Marx who settles in London in 1849 until his death in 1883, his tomb still visible in the Highgate graveyard.

² Beyond Parliament and Ministries new buildings architecturally shaped with imperial references appear along Whitehall such as the one for the Foreign Office built between 1861 and 1868.

as well as the gentry – wealthy people of the class next below to nobility - in the House of Commons. The area is progressively filled with many theatres which settlement are rendered easier by the 1843 Theatre Act and which become, with other social upper-class activities like balls, part of the Victorian aristocratic way of life.

Around West End, while the City of London keeps its financial and commercial specialization, new urban areas appear thanks to major improvements in urban transport infrastructures in the 1830s onwards (see the next subpart). New suburban homes become accessible for a large part of the middle-class, in search for a way of life, not so much a quest for nature far from the polluted centre, but for a private and family lifestyle. While 18th century homes were open to the streets, the Victorian ideal is closer to the idea of isolation from the world.¹ The development of omnibuses render stables useless in these new homes as well as domestics, who in the West End settle in mews – alleys or dead ends behind homes which can always turn into slums – but are completely absent from these new middle-class suburbs. Social segregation by the middle-class in Victorian London thus appears extremely strong. Saint John’s Wood, eastwards of Regent’s Park, becomes the architectural and urban model for these new areas, which are in many respects standardized even though the 18th century systematic alignment of facades is not applied.² Leisure activities earlier mentioned for West End are completely absent in general, the purpose of individual homes being the recreation of the Victorian ideal way of life in the private sphere – what could be named the “*Victorian suburbia*” (Ross & Clark, 2012, pp. 208–209).

Eventually vast poor areas appear. The development of the tramway in the 1870s onwards progressively allow some of the working-class to separate their residence from their

¹ The industrial transformation of the urban and architectural landscape all along the 19th century produces in Britain a cultural and intellectual nostalgic re-appropriation of gothic references. The famous essays *Contrats* by Augustus Pugin (1812-1852) and *The Stones of Venice* by John Ruskin (1819-1900) are the main examples of this phenomenon. Moreover the will for an aesthetic representation of nature – with spiritual references – lies at the heart of the Pre-Raphaelite movement of painting. Eventually the idea of re-connecting with beauty and nature in the private sphere, as opposed to its disappearance in Industrial London, is for instance epitomized by the figure of William Morris (1834-1896), whose ideas on the beauty of crafts as opposed to industrial standardization inspired the famous movement of Arts & Crafts (Bourgne et al., 2018, pp. 296–306).

² The numerous homes aligned, mostly of rather small size, are often individually shaped in order to gain space. Thus appear the bay-windows that are still today extremely present in British suburbs and break the visual alignment of facades.

workplace.¹ The distances remain low in the beginning and poor suburbs emerge between Clapham, Brixton, Camberwell and Deptford in the south, and Finsbury Park, Stoke Newington, Stamford Hill and Stratford in the north and north-east. The development of the railway leads to the first cheap trains in the 1860s onwards, generalized by the 1883 Cheap Trains Act, and allows access to faraway suburbs to the upper fraction of the working-class. But most of these lowest-classes - these means of transport being unaffordable - logically remain in the central and eastern areas, next to the industrial activities of the British capital. In his *London. A Social History* the British historian Roy Porter describes these transformations as follows: “*From the 1840s, stations shot up a few miles out from the centre – in Battersea, Wandsworth, Brixton and Balham; in Peckham, Dulwich, New Cross, Brockley, Forest Hill and Lewisham; in Kentish Town and Kilburn, Crouch End, Stroud Green, Hornsey and Wood Green – sparking the construction of middle-class villas and respectable terraces. All such areas underwent flux. Before the arrival of the railways, inner suburbs served by omnibuses had generally been rather elegant and moderately populated. Once railways invaded, street after street went up, row upon row of houses. Much development was still large and spacious, three – and four-storey houses for families with maids; but the density and monotony of it all robbed Brixton and Brockley and all such places of any pretensions to gentility, and made them hopelessly vulnerable, within a couple of decades, to multiple-occupation and the slide into slumdom*” (R. Porter, 1994, p. 280). At the same time the docks emerge in the early 19th century for coping with the saturation of the quays of the Thames due to the growing colonial expansion and trade. East and North-East London thus transform into vast industrial areas – around Stratford, Plaistow or West Ham - which logically attract huge working-class people in East End. They cram into single-room slums in terrible health conditions, described by numerous observers of the Victorian society such as Charles Dickens, Henry Mayhew or Andrew Mearns.²

¹ The only mean of transport accessible to the working-class is the horse-drawn tram, which can carry a large number of people and has fewer operational costs than the omnibus.

² The economic, social and/or moral tackling of poverty is extremely present all along the 19th century. The famous 1889 inquiry and map by Charles Booth *Life and Labour of the People in London* (Appendix p.179) tries to introduce a scientific approach to poverty and is part of the early works inspiring the American sociologists of the Chicago School in the 1920s.

2) Central governments, industrial capitals and the growing need for metropolitan coordination

The urban growth of both capital cities in the Industrial Revolution generates vivid need for urban policies of metropolitan scale, and therefore calls for metropolitan political coordination, which in both cases proves difficult. In France because the perpetuation of centralization in the form of the Jacobin State still mirrors in the tight political control of Paris and its growing agglomeration. In Britain because the economic and political power of the City of London and the patchwork of independent villages and boroughs that form London have no real will for mutualizing some of their resources and powers at a metropolitan scale.

The management of the Paris agglomeration: increasing central control, political isolation and centre-periphery split

The 19th century reinforces the need of central governments, already visible with the absolutist monarchy in the 18th and 18th century, for controlling the capital which lies as the heart of multiple revolutions. The French Revolution (1789-1795) is such a dense and complex historical sequence that summarizing it in a few lines would be impossible, all the more when remembering that Paris plays a central role all along it. The administrative organization of the capital is deeply modified and stabilized in 1795 before knowing a decisive evolution in 1800. Throughout the 1790s the different powers keep evolving but some trends can be identified. First of all Paris experiences a municipalisation and concentration of power unseen before.¹ This evolution is confronted to another centrifugal movement of fractioning of local powers, whose administrative divisions moreover remain fluctuant. On the one hand various clubs - with more or less formal political reunions and sociability - are supported by the central government in order to weaken the municipal power. On the other hand twelve *sections* are created in 1790 as electoral circumscriptions but with increasing powers over the years.

After the fall of Robespierre in July 1794 the Constitution of the An III (1795) abolishes the *sections* and most importantly abolishes the unique mayor – the municipal area is divided

¹ This trend is favoured by the abolishment of the power of the Hôtel de Ville and the extension of the elective principle.

in twelve *arrondissements* which become twelve autonomous municipalities.¹ They are closely watched by the central government of the Directoire (1795-1800) and the elected members are subject to regular purge. Moreover since the Revolution the newly created districts (*départements*)² overpower the municipalities despite their wishes for autonomy. Overall Paris becomes one of the seventeen wards of the new Seine District (*Département de la Seine*), which had been created in 1790 by the French Revolution and contained the municipality of Paris.

The power of Bonaparte – future Emperor Napoléon I – in 1799 onwards marks the climax of centralization in France, as described by Alexis de Tocqueville (de Tocqueville, 1856),³ and in some respects a return to comparable practices and authority from the Old Regime.⁴ Everywhere in France the executives of the *départements* are replaced by the authority of prefects appointed by the central government and the municipal autonomy disappears. The prerogatives of the 12 *arrondissements* are reduced to civil status and the Paris agglomeration is placed under the authority of two prefects: the Prefect of the Seine and the Prefect of Police,⁵ which effectively recreates the diarchy from the Old Regime. Around the Prefect of the Seine gather 24 officials from families of the former Parisian bourgeoisie. The Seine District also receives part of the prerogatives of the former provost of merchants but at a wider territorial scale (476 km², the smallest and most populated French *département*),

¹ This process is not specific to Paris since all the cities of more than 100,000 inhabitants (Bordeaux, Lyon and Marseille) are administratively divided the same way.

² In 1790 France is divided into 83 *départements* which are defined geographically so that any official from the county town could reach any point of it and return by horse in one day.

³ Alexis de Tocqueville shows that centralization harks back to the Capetians and that Robespierre and Napoléon only improved it, despite what urbophobic writers such as Charles Maurras later on assert. Indeed his thought, at the heart of the Action Française and further intellectuals that inspired from it like Pierre Gaxotte or Jean-François Gravier (who dishonestly partly quotes Tocqueville to have him say the contrary to what he meant), was based on the criticism of the Republic and the rehabilitation of the Old Regime. This leads them to wrongly date the beginning of centralization to the 19th century (Marchand, 2009, p. 290).

⁴ The political and sociocultural continuity between the Roman Catholic absolute monarchy and the Jacobin State has been widely pinpointed by historians specialists of the French Revolution and the advent of the Republican regime throughout the 19th century (Furet, 1985; Ozouf, 2015). The remarkable analysis by Mona Ozouf of the sacred and religious dimension of the “*revolutionary feasts*” [“*fêtes révolutionnaires*”] illustrates what she names a “transfer of sacredness” – epitomized for instance in the Cult of Supreme Being - by which the State is invested with similar expectations by the people than the absolute monarch was (Ozouf, 1988). Just as the King represented God of Earth, the State represents the will of the people but the relationship between both somehow still relates to transcendence.

⁵ These two authorities regularly oppose each other when it comes to many affairs of the capital, related for instance to markets or streets, before a decree in 1859 somewhat clarifies the situation in favour of the Prefect of the Seine.

encompassing the City of Paris and 80 communes around (see Appendix p.180-181). At a wider scale a second belt - administratively created in 1790 as well – receives equivalent prerogatives: the Seine-et-Oise district (see Appendix p.182), mostly rural, with no real centrality and whose capital is Versailles (Bellanger, 2013, p. 53).

This centralized system of control, epitomizing the mistrust of Napoleon regarding the revolutionary character of Paris, lasts throughout the 19th century.¹ Indeed most of the many protests and revolutions that occur in France during this very century happen in Paris, and the capital city plays a central political role. In the 1820s onwards Paris is the heart of the Romantic movement, with the main figures of François-René de Chateaubriand and Charles Nodier, nostalgic to the Revolution and hostile to the return of the monarchy. During this period, with a notable increasing role of students, starts the series of protests and riots of Paris against the absolutist monarchy. Paris is the heart of the “Trois Glorieuses”² – July 27th-28th-29th 1830 – which result in the fall of Charles X, the end of the Restoration (1815-1830) and the advent of the July Monarchy (1830-1848). Supported by the Liberal members of Parliament, Louis-Philippe is proclaimed king in the Hotel de Ville in front of the Parisians. The February 1848 Revolution constitutes more a French and even European wave of protests but the centrality of Paris remains. The Palace of the Tuileries is once again pillaged and the throne burnt on the Bastille square, and the advent of the new regime is also decided in the Hotel de Ville.³ The male universal suffrage is settled and the Second Republic is proclaimed in June 1848 after new

¹ Under the July Monarchy (1830-1848) a slight untightening wave is noticeable. After the 1830 Revolution a law in 1831 applies an elective principle to municipal councils. A specific law in 1834 on the Seine District recreates a municipal council in Paris formed by 36 councillors, but with limited powers. The election is based on a poll tax and its president and vice-president are appointed by the monarch. Eventually it only gathers at the demand of the Prefect of the Seine for chosen issues. This organization does not survive the 1848 revolution, which confirms the revolutionary tropism of the capital (Nivet, 2013, pp. 8–9).

² Four decrees amongst other things suspending freedom of the press are passed by the king, generating a movement of protest with clear references to the French Revolution. The Palaces of the Tuileries and the Hôtel de Ville are taken and the tricolour flag is widely used, so are the barricades. This event inspires Eugène Delacroix's famous painting on the Liberty Leading the People (« La Liberté guidant le Peuple »), in which he insists on Parisian symbols – Notre Dame at the background –, symbolic antique references – the allegory of the woman – and the social diversity of the characters at the foreground : boys, workers, and soldiers (Appendix p.183).

³ The scene is painted by Félix Philippoteaux (Appendix p.184). The choice of the flag is decided in front of the Hotel de Ville. Part of the Parisians did not want the tricolour flag that had been chosen by the July Monarchy and claimed for a red flag – with more republican and social references. As depicted in the painting this solution is famously opposed by the poet Alphonse de Lamartine, and the tricolour flag is kept.

political tensions. It is abolished in 1851 by Louis-Napoléon Bonaparte – proclaimed Emperor as Napoleon III - who had been elected President three years earlier - which starts the Second Empire (1851-1870).

It is then no surprise that the Second Empire abolishes the slight autonomy of the municipal council granted under the July Monarchy and especially intervenes in the urban management and improvement of Paris. The voluntary actions by the Prefect Haussmann earlier mentioned are indeed wished by Napoleon III to end the revolutionary tropism of the capital, the February and June 1848 revolutions being interpreted as a consequence of the urban pathology of the capital. Hence that apart from the extension of the city-limits and the new large axes, the hygienist development of water and gas networks, the multiplication of public fountains, and the vast subterranean sewers by the engineer Eugène Belgrand – rather at the same time as in London – are carried out. This modernization of the capital does not prevent the fall of the regime in September 1870¹ with the defeat against Prussia and the launch of the Commune of Paris in 1871, the third major revolution of the 19th century in France. It frontally opposes the central government and the elected assembly of the Third Republic – mostly composed of royalists – which settle in Versailles. The city proclaims itself politically autonomous as the “Commune de Paris” and encourages the other French communes to do so.² The barricades are once again widely used even though with the modernization of weapons their role becomes more and more symbolic than military (Bove et al., 2017, p. 156). The Commune is finally violently defeated militarily by the troops of the Third Republic in May 1871 during the “Bloody Week” (“Semaine sanglante”).

After decades of revolutions and successive change of political regimes the main concern of the Third Republic (1870-1940) is the republican consolidation and the construction of the State. In this respect the mistrust *vis-à-vis* Paris remains, as shown by the maintaining of the Prefects of the Seine and of Police. Despite very quick experiences in 1848 and 1871 Paris no longer has a mayor. In a country that is still widely rural the priority of the regime is the support

¹ Some reflections on the reinforcement of the Paris municipal council and its alignment on the others in France had been impulsed in the early year 1870 by the republicans Ferry, Gambetta and Arago. They had led to a proposition in April for the election of the Paris councillors by universal suffrage. These propositions do not outlive the fall of the Second Empire in September.

² One of the famous photography of the Commune de Paris by Bruno Braquehais shows Parisian revolutionaries standing next to the statue of Napoleon III which used to stand on the Place Vendôme (see Appendix p.185).

of the countryside and the development of the Republican ideal in these territories and populations, which the 1871 vote proved to be largely monarchic. In this respect, beyond the famous Jules Ferry laws establishing free education (1881) and mandatory and secular (*laïque*) education (1882), the Third Republic bets on the figure of the mayors and thus on the autonomy of the communes. This is applied by the important 1884 law but which excludes Paris. The capital appears from now on durably isolated in the new Republican regime which electorally favours the rest of France. Indeed between 1871 and 1914 the share of Parisian ministries goes from 22% to 13%, while those from the countryside from 20% to 28% (Bove et al., 2017, p. 41). The political tension between Paris and the State increases during the end of the 19th century, which leads the Parisians to contesting votes against the Republic that dominated by radicals. The Paris council turns nationalist in 1900 – it remains a heart of right-wing movements after the first World War – and the tensions with the Prefects of the Seine and Police multiply. For instance between 1880 and 1893 the municipal council does not communicate with the Prefect of Police which explains the very slow realization of the Metropolitan in 1900, more than half a century after London.

So the 19th century history is one in which a revolutionary Paris is ultimately defeated by the State, which then re-asserts even more control over it. The Republican State then uses mayors outside of Paris to project itself, but inside Paris uses other agencies such as police and prefects. And then Paris ends up being – instead of revolutionary – more right wing than the rest of France in the early 20th century. This supports the statement that despite these very complex developments, the long-term story is indeed one of assertion of State power over the capital city.

The difficult quest for metropolitan coordination in London

The modern period as previously seen has transformed the bipolar British capital in a multipolar one, trend that has been reinforced by the Industrial Revolution and the unique urbanization of London. In 1855, when the first administrative reform happens, 86 parishes and districts are still governed completely independently through their local council named vestry. Their size and population are extremely heterogeneous and their boundaries completely anachronistic since they hark back to way before urbanization. Apart from parish councils there are numerous committees on specific issues whose scales and jurisdictions are completely different. Until then the only official municipality of London is the City of London whose limits and political status has never changed and which is now in geographical terms just the hyper-

centre of a wider urban agglomeration. The Municipal Corporations Act of 1835, that reforms the municipalities of England and Wales by abolishing the *pocket boroughs* and the *rotten boroughs*,¹ only very minimally applies to London. Because of the City of London. Since the mid-17th century and the post-Great Fire reconstruction the City loses population and the large majority of its labour-force working there during the day – merchants, financials, assistants or clients – leaves at night.² This goes along with a decreasing number of members of the guilds and corporations which since the late Middle Ages had forged its local democracy. A democracy which for these reasons works more and more vacuously in the 19th century.³ From now on the main preoccupation of the institution is to maintain the privileges of its remaining members and the economic interests and activities it owns in the rest of the metropolis.

Indeed the power of the City of London in the 19th century goes way beyond its administrative boundaries, on the land as well as on the water. On the land since it owns vast lands bought since the 16th century dissolution of monastic orders by Henry VIII, and of which both the 17th century long-term lease system invented by the Count of Southampton and the 18th and 19th century urban development of London, has significantly raised the value. Hence the possibility to influence the management and development of many other areas. On the water since it still owns many privileges related to the management of trade on the Thames as well as on the Port of London. Until 1857 and the creation of the Thames Conservancy – in which the mayor, the aldermen and Council of the Commons are still well-represented – the City of London had the monopoly on the management of the Port of London, on trade on the Thames until Staines (Middlesex) and on the management of its navigability and police prerogatives

¹ These names applied to the many places where members of parliament were still elected but in which the number of voters was reduced to a few people because the geography of population since the Middle Ages had widely changed, unlike the geography of electoral circumscriptions.

² In 1815 the City of London accounts for 122,000 people, one tenth of the London population, and about 8,500 firms which were mostly small, specialized and family-owned ones (Kynaston, 2012, p. 24)

³ By no means does this entail an economic decay of the City of London nationwide or worldwide. As well described by David Kynaston in his *City of London. A History* : “*Who then did run the City? In one sense it is a meaningless question to ask – granted the inherently discrete, fragmented nature of the place – but it is clear that at any one time there existed a group of immensely wealthy merchants and financiers who had their fingers in most of the important pies (...). Yet approaching the end of that century the City was on the verge of momentous change. The catalyst was the state of almost continuous European warfare between 1792 and 1815 which severely blunted the activities of Britain’s main trading rivals and greatly increased the proportion of world trade conducted by merchants based in Britain. Amsterdam declined as the leading international financial centre and was replaced by the City of London*” (Kynaston, 2012, p. 19)

(Bethmont, 2011, pp. 178–179). Thus from 1835 to 1885 it opposes every proposition for administrative reform of London including those wishing to expand its boundaries, which it considers as a dissolution of its power (R. Porter, 1994, p. 295).¹

Hence that no coordination policies happen during the first part of the 19th century, leaving the rising urban, social and health issues to local and private initiative.² This goes along the dominant conceptions of self-improvement and self-help in the British society at the time. Victorian England is especially founded on an ideal of social respectability, which is itself based on the desire to social improvement by individual labour and efforts.³ The 1834 New Poor Law inspired by the work of Sir Edwin Chadwick (see Appendix p.186), who had been a disciple of Jeremy Bentham, is inspired by these ideals. Indeed they introduce the principle of “less-eligibility” which stipulates that the conditions inside a workhouse should never be better than those of an independent labourer or lowest-class. In other words no social policy will ever bring people back to work if it is more desirable than work, which means that if one cannot satisfy its individual needs at home, one should not be at home and go to a workhouse. Inspired by Jeremy Bentham’s model of *panopticon* (see Appendix p.187) these workhouses, well described by Charles Dickens in his famous *Oliver Twist*, constitute one of the main political and moral questions of Victorian England. Despite workhouses and the Victorian policies on “less-eligibility” poverty does not decrease in the 1830s and 1840s, and it appears that most people seeking public assistance are indeed ill, suggesting to Sir Edwin Chadwick and to many other Victorian officials that health problems are in fact the main cause for poverty. Above all of them wastewaters that generate miasmas which back then are considered as the main cause for diseases – since the 1831 cholera these issues are politically sensitive.

In other words sanitary issues, because linked to a certain vision of poverty management and individual socioeconomic improvement, lead to the first claims for public works and thus

¹ In his 1939 book of *The Government and misgovernment of London*, William A. Robson precisely describes all the means used by the City to prevent every institutional reform in London: beyond political manipulations and lobbying, a series of fake protests against the reform with bribed participants is described (Robson, 1939).

² New libraries and universities – in *London University College* or in the late 19th century the *London School of Economics* - for instance appear in various local authorities but their development is mostly left to philanthropic initiatives. Some specific laws like the Public Libraries Act of 1850 authorize local authorities to devote part of their local budget to the construction of libraries but with no obligation. In other words public policies can to some extent try to supplement private initiative but at no point are they considered as an alternative.

³ The 1859 essay *Self-Help* by Samuel Smiles is for instance a best-seller at the time.

the reflection on metropolitan coordination, which occurs step by step, on specific issues and because of necessity.¹ The 1842 *Report on the Sanitary Condition of the labouring Population of Great Britain* by the same Edwin Chadwick leads to the a new commission of health in 1847 but which reveals incapable of solving the problems, feeding the localist oppositions led by the City of London. Until the Metropolis Management Act of 1855. The aim is to create a dedicated body with the resources to implement public works while maintaining the autonomy of each local authority. The 1855 Act partly rationalizes these local administrations by merging some parishes into districts and placing the numerous existing committees under their authority. The Act creates a Metropolitan Board of Works whose members are elected by the City of London – which for the first time is included in a metropolitan body - and the vestries of parishes and district. Local autonomies are maintained since this body is only in charge of issues that cannot be dealt with at a local level, which overall relates to a confederalist structure. The idea is that if expertise has to be centralized, administration needs to remain more local (INET 2015:19). Each parish being taxed equally the City of London contributes heavily to the construction of the new sewers system, but sees this as a way of buying the maintain of its privileges within an emerging metropolitan system. Happening in a particular hot summer, the 1868 famous Great Stink of London (see the caricatures made of the event and also its use for more political ones in the Appendix p.188-189) forces the Parliament to interrupt its sessions and accelerates the construction of the new sewer system by the engineer Joseph Bazalgette.²

Quickly the existence and action of the Metropolitan Board of Works are widely criticized,³ simply because the persistence of local interests and autonomies limits the

¹ A first reform on police had been carried out but with fewer effects on the institutional evolutions of the metropolis. With the Metropolitan Police Act of 1829 the Home Secretary Robert Peel creates a metropolitan police which settles in Great Scotland Yard street, whose name it then keeps despite having moved. The London “bobby” – named after Robert Peel - which designates the policeman dressed in a blue uniform becomes one of the first metropolitan figures of London. Until 1999 it remains under the authority of the Home Secretary.

² Originally most of London Water Companies used the water of the Thames for supplying the city, especially the part between Chelsea and London Bridge, which was increasingly subject to industrial and domestic waste – leading to many diseases of cholera (see the caricature by William Heath in the Appendix p.188). The new system is based on a 130 kilometres of east-west pipes, linked to the old north-south sewers, and bringing waste water downstream eastwards to Barking Creek (north) and Crossness (south). The burying of part of these pipes leads to huge excavation and the creation of Embankment (Ross & Clark, 2012, pp. 192–195).

³ Apart from the new sewers and Embankment other works can nevertheless be noticed. For instance the realization of some important streets such as Charing Cross Roads, Queen Victoria Street, Hyde

possibilities of the Board for territorial redistribution as well as its representativeness. On the one hand the norms for maintenance of some metropolitan infrastructures – such as sewers, pavements of streets or public lightening - are the same whatever the parishes and districts, which leads the poorest to higher tax pressure. Despite some co-financing dispositions the Board still relatively spends more in favour of richest local authorities that are better contributors in order to limit dissatisfaction, but in the end concentrates criticisms from everyone. On the other hand its political representativeness is extremely limited because of its indirect suffrage but also because of the low representativeness of local vestries. The parishes that have been merged in districts still exist and are themselves the reference body of the elections of councillors in the district – which forms a double indirect poll for the Metropolitan Board of Works (White, 2007, pp. 460–462). The local elections work with a poll tax system and very few participations and political debates such as in the Parliament, candidates being very often automatically re-elected. In his *London in the 19th century*, Jerry White thus describes the situation as follows: “*As if byzantine structures, incomplete or overlapping jurisdictions and inadequate powers and resources were not enough, there was corruption in all its grubby forms. It reached from top to bottom of London local administration. In this, London government reflected London life*” (White, 2007, p. 450). Overall the limitations and failures of the British local political system largely explains the constant criticisms made to the Metropolitan Board of Works.

The situation changes in the 1880s when some liberal members of parliament express the will for more or less ending localism and creating a metropolitan municipality, in which the City of London as well as the parishes and districts would lose their autonomy. This threat leads the City to change its strategy of systematic opposition and to launch a consultation with the other metropolitan local authorities, leading them to vaguely ask for a reform of London (White, 2007, pp. 471–474). The response is given in the Local Government Act of 1888 creating the London County Council, replacing the Metropolitan Board of Works until 1965 (see Appendix p.190). It is given the same prerogatives with some additional ones: dedicated officials for public health along with some coordination and control powers on local councils. The main change concerns the introduction of a direct poll which starts the emergence of a more vivid and modern political life on metropolitan issues based on the same oppositions as in national

Park Corner of Shaftesbury Avenue. Or the preservation of some parks and unbuilt areas that the Board of Works has been authorized to acquire by the Metropolitan Commons Act of 1866.

politics. This being said, the same problems remain related to local autonomies and divisions, as well as fuzzy distribution of prerogatives on many issues.¹ The end of the 19th century is marked by difficult debates on fiscal harmonization between all of them, which are eventually solved in 1899 by a compromise keeping a *status quo* in exchange for the diminution of the number of authorities. The London County Council is now composed with 28 metropolitan boroughs. Last but not least, the boundaries of this Council, which are the same as the Metropolitan Board of Works,² are far from encompassing the whole London agglomeration. This was already true in 1855. It is now even more in 1889: many locations eastwards that are functionally totally part of the London metropolis are in particular excluded from the administrative boundaries such as West Ham, Plaistow or Canning Town.

3) Divergent spatial and economic dynamics of French and British Industrial Revolutions

The aim of this last part is to tackle the issue of the divergent dynamics of Industrial Revolution in the two countries, so that the question of how the existing or new bourgeoisie issued from this process more or less fits into the relational ecosystem of each capital city, can be tackled in the final part of this chapter. This then leads to the contemporary analysis of the relational infrastructure of private actors in the fifth and final Chapter of the thesis.

Precocity, strength and multipolarity of the British Industrial Revolution

It has long been established that the heart of the Industrial Revolution was British and occurred earlier than elsewhere somewhere during the 18th century (Allen, 2011; Crafts, 1977, 2010; Crafts & Harley, 1992; Lévy-Leboyer, 1968). In no way does this mean that it was a pure discontinuous process, as the name suggests, but more the result of a longer economic expansion that harks back at least to the 16th century. The expression of this is an unseen before

¹ Apart from this much others are still in the hand of dedicated bodies – such as the Thames Conservancy – or private companies such as water supply until the creation in 1902 of the Metropolitan Water Board.

² Without really raising the question, the Metropolitan Board of Works had been created at the same scale as the one commonly used for the studies and statistics made on mortality rates in London.

increase of income per capita,¹ and technological and economic breakthroughs for which the 18th century appear as extremely important. Highlighting the causes for this process and thus explaining why it occurred in Britain earlier than anywhere else is amongst the most challenging issues in human and social sciences. Many research have insisted on the role of non-economic factors and namely the 1688 Glorious Revolution and the British Constitution, described in the previous part, as it would have amongst other things contributed to secure property rights by enhancing political representativeness of the merchants and/or aristocrats (Acemoglu et al., 2005; De Long & Shleifer, 1993; La Porta et al., 1998; North & Weingast, 1989). While acknowledging that these elements contributed to the creation of a favourable environment for economic growth, criticisms to these views or contrary perspectives have also been abundant (Clark, 1996; S. R. Epstein, 2000; Hoffman & Norberg, 2002; Hoffman, Postel-Vinay, & Rosenthal, 2001; Quinn, 2001). As always the main issue is causal identification. Solving it is neither possible nor the issue. Yet in order to put both French and British processes in perspective a quick review on where the literature put the emphasis is important.

In the end the heart of the Industrial Revolution, just like every major macroeconomic cycles in economic history, is technological. It was first and foremost based on the invention of the steam machine in the 18th century, which first had in itself modest impact on the economic output but whose effect rose exponentially throughout the 19 century when steam was used to power industries (Allen, 2009). As estimated by Nicholas Crafts the use of steam technology accounted for two-fifths of British labour productivity gains between 1850 and 1870 (Crafts, 2004, p. 348). Robert Allen describes the history of the steam engine, like other major technological breakthroughs, in two steps. First the “*macro-invention*” by Thomas Newcomen, which was first put into operation in 1712 in Dudley (West Midlands) for draining a coal mine. Then a “*century and a half of improvement*”, in which many famous engineers such as John Smeaton, James Watt and Richard Trevithick played important roles. “*This development trajectory was broadly neutral: all inputs were saved, particularly in the case of rotary engines. The upshots were engines that were highly fuel efficient and that produced regular power that could drive locomotives, ships and machines. When engines became this good, the technology*

¹ Until then economists and historians insisted on the empirical relevance of what Malthus had depicted in *An Essay of the Principle of Population*: every phase of economic growth had such positive demographic effects that the average income per capita on the long run in history was constant – and in some cases could decrease and generate famines. For the first time this process of economic growth and its effect on population growth proved capable of increasing income per capita.

went global, and the steam engine diffused around the world. The tipping point was reached in the middle of the nineteenth century, towards the end of the second phase” (Allen, 2009, p. 157).

The second main technological breakthrough concerns the mechanization of the cotton industry. Until the mid-18th century England – and France which quantitatively produced rather similar output levels - had a small industry by world standards, far behind Bengal, as long as production remained based on hand technologies (Allen, 2009, p. 183). The technological history of the cotton industry is based on the mechanization of these processes first through the “*macro-invention*” of the spinning jenny. After some decades of patents and experiences – with roller spinning in Birmingham for instance – an economic model for the technology is found by James Hardgreaves with the spinning jenny in the mid-1760s, immediately followed by Richard Arkwright¹ who improves roller spinning by inventing the water frame and comes up with additional inventions such as the carding machine. He notably patents these two very important inventions. The quick development of the cotton industry through these automation processes leads to enormous growth in cotton outputs and brings England to overcome the previous world leaders that were China and India. Whether or not the global tense competition on the textile industry is the cause for these incentives to invent is still a debate (Broadberry & Gupta, 2010) but undoubtedly it explains why these technological and economic breakthroughs led the British cotton industry to such a growth.²

Eventually coke smelting is another fundamental inventions in the 18th century. Its impact was durable since it was key to the production of cheap iron that was required for railroads, steamships and the mechanization of industry. It is based on the 1709 “*macro-invention*” by Abraham Darby which changed factor proportions, as charcoal is from now on replaced by coke in the blast furnace, but had to be improved during a century and a half. The geography of coal thus became increasingly strategic as all these production processes improved and spread.

¹ The first known representation of a factory in the Western world is made by the famous British painter Joseph Wright of Derby in 1782-83 who represents Richard Arkwright’s Cotton Mills (see Appendix p.191). The term « plant » or « factory » did not exist at the time. Since the first of these used to work on hydraulic energy they were named “mills”. Richard Arkwright is one the most famous entrepreneur of the Industrial Revolution (see his portrait by Joseph Wright of Derby in the Appendix p.192). In the late 18th century he moves his activities to Scotland.

² Often depicted as the first industrial city in the world, Manchester was nicknamed “Cottonopolis”. The 1857 painting by William Wylde (Appendix p.193) well-epitomises how far the urban and economic landscape has changed in several decades.

As shown in the Appendix (p.194) Britain was favoured in this respect, with abundant reserves in the Southern Wales, Midlands, Northern England and Lowlands of Scotland. With the common point of being located close to rivers, the geography of the first industrial cities in the world somewhat follows the geography of coal: especially Manchester, Sheffield, Birmingham, Liverpool, Leeds, Newcastle and Edinburgh – and not London as tackled later on.

Having drawn the general picture the debates on the causes for these dynamics remain. What made these inventions British in the first place? The question is far from being new and the comparison between 18th century France and Britain is at the centre of it (Crafts, 1977; Crafts & Harley, 1992; Crouzet, 1967; Davis, 1973; Rostow, 1975). Recent research has provided new perspectives. Joel Mokyr in the early 2000s onwards insisted on the key role of a general institutional, socioeconomic and cultural environment that maximizes the percolation between scientists, engineers and inventors and the exploitations of their breakthroughs by the presence of skilled craftsmen within a general framework of correct incentives for entrepreneurs (Mokyr, 2002). He thus argues that “*Britain became the leader of the Industrial Revolution because, more than any other European economy, it was able to take advantage of its endowment of human and physical resources thanks to the great synergy of the Enlightenment: the combination of the Baconian program¹ in useful knowledge and the recognition that better institutions created better incentives*” (Mokyr, 2009, p. 122). The Enlightenment movement, understood as the mutual improvement of scientists, engineers, philosophers or entrepreneurs based on Francis Bacon’s idea of “natural knowledge”, is indeed at the heart of the British society for the whole 17th and 18th century – see for instance the paintings of Joseph Wright of Derby (Appendix p.195). This brings Joel Mokyr to speak of this “enlightened economy” as the key to the Industrial Revolution.

While also placing technological breakthroughs as the heart of the process, Robert Allen focus more on economic arguments when explaining why it was in Britain that the scientific

¹ The scientific philosopher Francis Bacon (1561-1626) was extremely important for theoreticizing the concept of “natural knowledge”, which means “the knowledge of nature”. In his unachieved utopia *New Atlantis*, strongly inspired by Thomas More’s *Utopia*, he describes Atlantis as the ideal place where happiness comes from scientific thought. In the Baconian views, contrary to the French Cartesian ones, knowledge derives from experience in an inductive way, that Claude Bernard theoreticizes later on: the ideas come from facts, and ideas suggest experiments, and eventually experiments verify the idea. This concept of “natural knowledge” is at the heart of the foundation in 1660 of the famous Royal Society of London for Improving Natural Knowledge earlier evoked, which is the incarnation of the percolation between scientists and entrepreneurs. The main figures of this Society are Isaac Newton but also the physician and chemist Richard Boyle.

inventions turned into technological progress: “*The Industrial Revolution, in short, was invented in Britain in the eighteenth century because it paid to invent it there*” (Allen, 2009, p. 2). He argues that the basis for the take-off in Britain was a unique price and wage structure as it cumulated high wages, cheap capital and cheap energy (Allen, 2011). Given the very high fixed costs for turning the “macro-inventions” earlier mentioned to viable technologies, these fundamental assets could only have been transformed within a sufficiently large market for absorbing a large amount of output.¹ He illustrates these economic analyses by computing the compared profitability of some key technologies such as the spinning jenny and Arkwright’s mill and coke smelting in France and Britain. He concludes that their adoption is only rational in the British case. Eventually he admits that these economic rationales – the unique configuration of prices and wages - would not *per se* have been sufficient, and that “*factors touching on the supply of inventors may explain that the Industrial Revolution happened in 1800 rather than 1400*” (Allen, 2009, pp. 268–269). In this respect he acknowledges the important role of the agricultural revolution, which had long been considered as the primary cause,² Tom Kemp for instance attributing the late continental development to “*the continued prevalence of the traditional agrarian structure*” on the continent (Kemp, 1969, p. 8). But he reminds that “*there were agricultural revolutions in the Netherlands and England, and they were integral to the economic expansion. Most of the causation, however, ran from expanding world trade, to the growth of urban manufacturing, to rising agricultural productivity, and, finally, to large farms and enclosures. The city drove the countryside – not the reverse*” (Allen, 2011, p. 58).

Whereas Robert Allen and Joel Mokyr regularly responded to each other’s arguments, Nicholas Crafts rightly pinpoints the rather complementary dimension of their approaches (Crafts, 2010). Favourable environment for scientific discoveries and their percolation within the economy, supplemented at some point in time and space by unique endowments for inputs and outputs, can reasonably be considered as a general satisfactory framework for the British unique early take-off. Still without tackling the question of causality, the compared outcome of

¹ It is probably here that not only large metropolitan consumption markets as London but the whole British colonial Empire plays a role. Of course upstream when providing cheap inputs such as cotton, but also downstream for selling the large amount of outputs. Not as a cause as some Marxists theories on Imperialism and colonial capitalism suggest, but at least as a catalyst.

² In the first book of *Capital*, when he describes the process of « primitive accumulation » (8th section, Chapter XXIX), Karl Marx focuses on the British movement of enclosures earlier described as the key to the transition from feudalism to capitalism.

State consolidation at modern times and the more important relative role played in innovation and economic development by the bourgeoisie and aristocracy in England fits rather well this scheme. When conversely the consolidation of the French absolutist monarchy, meaning the more limited economic role played by the aristocracy on its land, as well as the control of the urban dynamics of Paris and other cities, did not shape a similarly favourable environment.

These divergent dynamics for Industrial Revolution are mirrored into different spatial patterns. As mentioned earlier for Britain the Industrial Revolution was not particularly carried out by London, but primarily by an array of secondary cities, located next to important coal resources and strategic axes for communication and trade such as rivers: Manchester, Sheffield, Birmingham, Liverpool, Leeds, Newcastle and Glasgow. The 1987 *Atlas of Industrial Britain (1780-1914)* provides an array of maps on the demographic and socioeconomic evolution – see examples in the Appendix (p.196-200) - of British territories which clearly display the multiple location for growth. As for London it of course played a major role but less as a location for industrial production than as a centre for financial activities and consumption and as the hub between domestic production and global (and thus colonial) economic trade and expansion. This multiplicity explains that despite its primate urban system, just like France, the size and ranking of its secondary cities has fluctuated significantly during the last centuries.

The mysterious French Industrial Revolution: a late, slow and centralized process

Conversely to Britain, France exhibits an especially stable urban system (Damette & Scheibling, 2011), which Fernand Braudel illustrates by the very few creations of towns since the Middle Ages – around twenty over a total of a thousand of cities (Braudel, 1990, p. 221) - and limited long-term migrations of populations and activities between towns. According to Braudel, quoted by Pierre Veltz (2019:135) “*our cities did not evolve, even in northern territories, more demanding in this respect than those in the Midi, into the kind of urban republics that Italy, Germany or the Netherlands knew. Is it good, it is bad ? An immense good, Machiaveli will say, admiring the rise in France of the political power and of a monarchy devoted to imposing the unity of the territory. But it is clear that as a consequence, the urban growth, the urban leaven has not fully shaped the heavy history of our country. There has been embarrassment, constraint, too much gluttony on behalf of the State*”.¹ This stability mirrors a

¹ « Donc nos villes n’ont pas évolué, même dans les pays septentrionaux, plus exigeants sur ce point que ceux du Midi, vers le type de républiques urbaines qu’ont connu l’Italie, l’Allemagne ou les Pays-Bas. Est-ce un bien, est-ce un mal ? Un bien immense, dira Machiavel, admirant la montée en France du

more limited process of Industrial Revolution in France which has also long been highlighted (Rostow, 1975). More specifically one of the prominent elements on the specificity of France relates to the absence of “*take-off*” (Rostow, 1963) namely of a specific period of acceleration of growth. While Rostow used to locate it around 1830-1860 with some nuances, the French economic historian Jean Marczewski notices weaker long-term growth rates than in the rest of Europe and the absence of top industries, like cotton or iron in England, in capacity of carrying the rest of the economy, but instead a series of successive independent sectors.¹ With in each case insufficient growth rates and relative weights for provoking a “*take-off*” (Marczewski, 1961). As Maurice Lévy-Leboyer then suggests, the historian tries to look at previous and next times to look for such a moment, but with limited success since growth-rates remain lower – only 1.9% per year on average between 1701 and 1790, and which reach comparable rates of 6% and more after 1945 (Lévy-Leboyer, 1968, p. 789). While Jean Bouvier, François Furet and Marcel Gillet insist on a spasmodic industrialization within a long-term flat pattern (Gillet, 1972). Overall the French pattern resembles the one of a follower, with flatter growth rate and late catch-up cycles, epitomized in its later urbanization regarding its European neighbours (see Appendix p.201): the urbanization rate only reaches 50% in 1931 against the 1860s for Britain and the 1900s for the Netherlands for instance.

In geographical terms it means that the Industrial Revolution was mostly carried by Paris, under the impulsion of the central government, while no secondary cities really experienced similar dynamics as in Britain. In his famous essay *L'Identité de la France*, following the analysis he made in the quote above, Fernand Braudel describes the various trajectories of French regional cities during the last centuries. Lyon, which he describes as the most complex and subtle French industrial city, European capital of silk during the 18th century and even the first half of the 19th century, but which has paid a high price to Parisian centralism in the French Revolution and the Empire onwards (Braudel, 1990, pp. 217–218). Lille, who has long sheltered multiple textile activities (wool, linen, silk, cotton or tapestries) as well as others (ceramic, glass-making, colza oil factory or sugar and salt refineries), benefitting from its natural

pouvoir politique et d'une monarchie soucieuse d'imposer l'unité du territoire. Mais il est clair qu'en conséquence, l'essor, le levain urbain n'ont pas travaillé à plein la lourde histoire de notre pays. Il y a eu gêne, contrainte, trop de gourmandise de la part de l'Etat » (Braudel, 1990, pp. 218–219).

¹ For instance cotton (1786-1840 and 1880-1890), wool (1880-1890), silk (1807-1850 and 1870-1890), sugar (1807-1880) leather (1850-1960), jute (1860-1890) artificial textiles (1900-1910), and basic materials such as coal (1786-1870), metals (1830-1910) and chemistry (1860-1900) (Lévy-Leboyer, 1968, p. 789).

economic and trade links to Northern Europe,¹ but who remained rather isolated from urban network economies. On the one hand because of regular conflicts on the frontiers between France and the Netherlands,² on the other hand because of rather autarchic functioning of other cities of its industrial countryside and mistrust of towns (Roubaix, Tourcoing, Halluin or Lannoy) *vis-à-vis* the regional capital. All of this while the industrial policies by the central government, especially in the mid-18th century inspired by Turgot, favoured the countryside (Braudel, 1990, pp. 220–222). In the case of Marseille, prominent Mediterranean port for centuries, centralism was based on the division between State cities with local nobility feudalized by the central government (Aix-en-Provence) and historical business cities harder to control (Marseille). The same scheme applied respectively for Rennes and Nantes. As if the secular concern from the central government had been the spatial allocation and equalization of developmental resources on the one hand, and the construction of a national market – based on early large transport infrastructures – on the other, by “domesticating” *the movements and exchanges that animated its space*” (Braudel, 1990, p. 246)³ and thus by somewhat de-territorializing economic processes.

Overall,⁴ the French industrial revolution was carried by the capital, but which could not do it by itself all the more when remembering that its economy was by then mostly centred on

¹ This for mainly geographical reasons. All the Belgian hydrographic network comes from France. The Scheidt and the Lys, whose confluence is in Ghent, serve the Flanders, and the hinterland of the main Belgium ports (Antwerp, Ghent-Terneuzen, Zeebrugge) is largely in France. Hence the growing role of Lille in the French Industrial Revolution with the rise of Antwerp as a world-leading port at modern times.

² The occupation of part the Flanders by France in 1667 notably cut it from economic trade with the Netherlands.

³ The complete quote is as follows: « *L’Etat, en France, ne s’est consolidé (ou si l’on préfère assis) qu’en « domestiquant » les mouvements et échanges qui animaient son espace. Sa saisie n’a certes pas été parfaite du jour au lendemain. Il s’est emparé, tout d’abord, des points nodaux de la circulation : les marchés, les foires qui ne s’établirent qu’avec son autorisation et restèrent sous sa protection. A l’issue des ateliers de frappe, il a contrôlé aussi la marchandise ambulante par excellence, la monnaie. Il a créé et privilégié la poste. Enfin, de plus en plus, il s’est occupé des routes, avant tout des grandes routes et du réseau d’ensemble qu’elles formaient, ou auraient dû former, et des villes qui en sont les carrefours* » (Braudel, 1990, pp. 246–247).

⁴ Other examples could of course be mentioned. On the one hand Atlantic ports such as Nantes and Bordeaux which founded their development on maritime trade and especially triangular trade but whose developmental effect on their hinterland remained very limited. This “other France”, based on horizontal urban networks, that operated outside the majority of the country gathered in an administrative and hierarchic Jacobite model, has been widely analysed by the American historian Edward Fox (Fox, 1971). Conversely, other cities benefited from centralization throughout the 20th century, such as Toulouse and

wealthy consumption, and for the rest mostly by limited and spread activities in the countryside, all of this under the impulse of the central government. So on the one hand, the State centralized in Paris tried to decentralize industrialization and spread it around. This, however on the other hand, made that industrialization less autonomous than in the city-state model of other countries, or in the more spontaneous model as in Britain. In the name of « helping » the provinces, it hurt them. Purely industrial towns indeed remained very rare – Roubaix for instance for nothing compared to Manchester, Leeds, Liverpool or Glasgow (Veltz, 2019, p. 135). And Braudel to conclude: *“In the 18th century, the primacy of Amsterdam and Holland wanes; the last hours of urban dominations at world scale (Venice formerly, then Antwerp, Genoa, Amsterdam); the urban drivers are henceforth too light to ensure the vast control of world exchanges. A primacy collapses, whose legacy is disputed by France and England. I have often thought that, amongst its assets, England has over us the relative smallness of its territory, large enough to constitute a nation, small enough to spontaneously unify its economy. Has France been condemned, as I believe, by its immensity that the power of single city serving the national economy, even Paris, was scarcely incapable of organizing? Has it been also condemned by a society phenomenon (..) ? A certain attitude, not vis-à-vis money in itself, but manners deemed worthy or unworthy to earn it and use it. “Living nobly”, for the true and fake nobles, it is to not have a hand in commerce or industry. There again, France and England do not walk with a similar tread. In any cases, as soon as before the Revolution, France has lost to London this decisive economic battle”* (Braudel, 1990, pp. 225–226).¹

These compared processes of Industrial Revolutions, which animated different relational infrastructures between the capital cities and their respective countries, between urban

Grenoble, with the decision to respectively settle large aeronautic activities, and nuclear research with microelectronics and nanotechnologies later on.

¹ « Au XVIII^e siècle, la primauté d'Amsterdam et de la Hollande s'amenuise : sonne alors la dernière heure des dominations urbaines à l'échelle du monde (Venise jadis, puis Anvers, Gênes, Amsterdam); les moteurs urbains sont désormais trop légers pour assurer la vaste maîtrise des échanges mondiaux. Une primauté tombe en quenouille, dont la France et l'Angleterre se disputeront l'héritage. J'ai souvent pensé que, parmi ses avantages, l'Angleterre avait sur nous celui de la modicité relative de son territoire, assez grand pour constituer une nation, assez petit pour unifier spontanément son économie. La France a-t-elle été condamnée, comme je le crois, par son immensité que la puissance d'une seule ville au service de l'économie nationale, fût-ce Paris, n'était guère en mesure d'organiser ? L'a-t-elle été aussi par un phénomène de société sur lequel je reviendrai ? Une certaine attitude, vis-à-vis non de l'argent en soi, certes, mais des façons jugées dignes ou indignes de le gagner et de l'utiliser. « Vivre noblement », pour les vrais ou les faux nobles, c'est ne pas tremper dans le commerce ou l'industrie. Là encore, la France et l'Angleterre ne marchent pas au même pas. En tout cas, dès avant la Révolution, la France a perdu contre Londres cette bataille économique décisive ».

economic elites, aristocratic figures and State authorities, raise the key question of the compared urban embeddedness¹ of the new big business leaders settled in the two capital cities. To what extent did Paris and London business leaders emerge during the 19th and 20th century as important and structured actors, involved in the development of their respective metropolises? This conceptual as well as empirical question is tackled in the last part of this Chapter for the last two centuries, so that this long history helps us better compare the relational infrastructure of big business leaders in the fifth and last Chapter of this thesis.

D - Capital cities in Fordist times (20th century)

The divergent dynamics of Industrial Revolution, the different urban growth patterns and the different relational systems between the political and economic urban elites of the capital eventually lead to different trajectories during the 20th century, despite similar general evolutions linked to the advent of Fordist macroeconomic cycles. Overall this last period is divided in two different moments. On the one hand the first half of the twentieth century which constitutes in many respects the pursuit of industrial growth – the growth of agglomerations - with rather similar institutional schemes. On the other hand the advent of post-War suburbanization linked to the generalization of cars, partly backed by voluntarist planning policies, with various institutional choices and economic evolutions of big business in each case.

1) Capital cities in Post-War suburbanization

From the industrial growth of Paris and London agglomerations...

Despite its political lack of autonomy as compared to the other French communes - the members of Parliament elected Paris are not very anchored locally (Bove et al., 2017, p. 41) - the French capital is modernized during the sequence of the Belle Epoque (1870-1914) and welcomes some emblematic realizations. Built in two years, not without numerous oppositions

¹ The key notion of “embeddedness” in New Economic Sociology, as theoreticized by Karl Polanyi at macroeconomic level (Polanyi, 1944) and by Mark Granovetter (Granovetter, 1973), will be defined more precisely in the next Chapter. But the concept of “local” or “urban embeddedness” can generally be referred to as the involvement of economic actors in a geographically bound social structure.

and criticisms from architects, the famous Eiffel Tower is inaugurated for the 1889 Universal Exhibition.¹ As for the 1900 Universal Exhibition it is a demonstration of the new electrification of Paris (what is named the “fairy electricity”[“*fée électricité*”]) and the new Metropolitan. This new transport infrastructure had been evoked as soon as 1853 and once again in 1871, but it took thirty more years because of constant conflicts between the Municipality, the District, the central government and private companies (Bove et al., 2017, p. 42). The first line is inaugurated in 1900 – against 1863 for the first line of the Metropolitan Railway in London between Paddington and Farrington Street – and the network step by step develops throughout the first thirty years of the 20th century (see Appendix p.202). From its beginnings to its first developments, the transport network remains a “municipal” Metropolitan, stopping at the borders of the city. And this even after the walls of 1840 (Thiers) are demolished between 1919 and 1939. During the First World War (1914-1918) Paris plays a central productive role, as the backwards base of the stabilized front² – 700 kilometres from the Northern Sea to the Swiss border - and sees its industries quickly grow.³ Some specific areas like the 13th, 14th, 15th, 18th and 19th arrondissements quickly industrializes and the car and weapon industries grow spectacularly: Citroën in the Javel area and Renault in Billancourt for instance. The aim is the production of ambulances, motors, trucks, armoured cars or shells.

The Interwar period is a period of large growth for the Paris agglomeration. The population of the city remains slightly inferior to 3 million people between 1910 and 1935 while the population of the Seine district goes from 1.3 to 2 million people (Combeau, 1999, p. 90), which creates strong housing – and mostly social housing – issues. The wall of Thiers is declassified in 1919 and the city takes possession of the former military lands of the *zone non*

¹ Since the London 1851 Universal Exhibition, Paris had also welcomed the event in 1855 – for celebrating the industrial actions by the Second Empire – and in 1867 – as a demonstration of Napoleonian and Haussmannian realizations – while the one of 1878 was seen as a manifestation of national recovery after the 1870 defeat against Prussia and the civil war (Combeau, 1999, p. 72).

² For instance it plays a crucial role in the famous event of the “taxis of the Marne” in 1914 when hundred of taxis are requisitioned for transporting troops and munitions to the front.

³ As previously mentioned the French Industrial Revolution had been somewhat a slow, flat and centralized process, mostly carried by Paris and spread developments in the countryside. In Paris many factories had settled in the late 19th century in peripheral areas with vast available lands: sugar refineries (Say, Lebaudy) and other food industries (Felix Potin factories), car industries (Panhard, Delanaye, Citroën) and electricity production (Compagnie parisienne de distribution d’électricité, absorbed by EDF after World War II).

aedificandi.¹ On these lands new homes are built by newly created Public Offices for Habitations Bon Marché (HBM),² forming a “belt” around Paris and the new circular Boulevard des Maréchaux (see the example of the Porte de Clignancourt in the Appendix p.203). These 38,000 social homes built there in the Interwar period in red brick, between six to eight floors, are still today easily identified by Parisians (APUR, 2017). Housing problems also rise in the rest of the growing agglomeration with the crisis of the defective estates (*lôissements défectueux*): around 300 and 400,000 people camp in the mud in the heyday of the crisis and around 700,000 are very badly housed during the whole Interwar period (Fourcaut, 1993, p. 441).³ This accelerates the urban development of many popular neighbourhoods in the Seine, Seine-et-Oise and Seine-et-Marne districts (see Appendix p.204). Unlike social and working-class housing of the 19th century these new estates are based on the separation between housing and work. Indeed at the few exceptions of Saint-Denis, Ivry or Vitry very close to the central agglomeration, they are mostly built on agricultural and market gardening lands far from the industrial areas. They are generally but not always synonym of ownership (Fourcaut, 1993, p. 443). Hence the continuous growth of the Paris agglomeration - until more than 6 million people in the 1930s - that Post-War policies would then try to stop.

Interwar London is in many respects the continuation of the industrial growth of the Victorian British capital, for which World War I played a catalyst role.⁴ Its economic role is mainly logistic: furnishing the front with soldiers and war materials. The city sees the development of new areas like Hammersmith, Willesden and Acton, with the industrial area of Park Royal (Bethmont, 2011, p. 193). During the Interwar period, the London population keeps

¹ Apart from housing policies notable realizations are carried out in the Interwar period. For instance the Cité Universitaire in 1923 for welcoming students from the rest of France and abroad. New boulevards are opened – Haussmann, avenues Mozart and Trocadéro – as well as around forty new public squares. Eventually the electricity is generalized.

² Habitations Bon Marché would be translated « cheap housing ». There are no clear definition of it. They are sometimes used to refer to various types of social housing between the mid-19th century and the mid-20th century, both individual and collective ones. Except that before these very specific housing described and built after World War I, social housing was mostly privately financed through forms of paternalism by industrial business leaders. The 1894 Siegfried law then opens the possibility for public loans by the Caisse des dépôts et consignations for building new homes, while another one in 1913 creates the Public Offices.

³ This crisis gives birth to the French expression of being « mal-loti » which by extension now means being badly endowed.

⁴ The effect of World War I was rather limited for Londoners, except some episodes of bombing by Zeppelins in 1915 and 1916 with few damages, but nothing compared to World War II.

growing but the built-up area notably doubles, henceforth way beyond the administrative boundaries of the London County Council. While some central areas had lost population in the 19th century because of the development of train stations and railroads, this time it is the new commercial specializations developed, especially in Picadilly Circus and Oxford Street, that diminishes the residential functions of some areas. New hotels (like the Ritz in Picadilly), restaurants, large retail centres and offices, with sometimes monumental architectures, are erected. The 1920s and 1930s thus see the replacement of many buildings in the City and West End. All of this while the periphery of the agglomeration – the second belt – becomes residentially more and more attractive thanks to the continuous development of transport infrastructures and networks, and the development of larger residential estates. Just like in Victorian times the growth and spread of London is mostly the product of the centrifugal movement of the middle-classes. This trend is reinforced by the policies of the County which as soon as the late 19th century, wishing to export some of its poorer populations, had developed tools for building social housing. Policies that are resumed by the Conservative majority in 1907 onwards and especially in the Interwar period. Elaborated by the Minister of Health Christopher Addison, the 1919 *Housing and Town Planning Act* gives the possibility to local authorities to build as much social housing as they want, all the spending coming from local taxes above a certain level being financed by the State. Even though this policy only lasts two years, many programmes are launched and completed in the 1920s and 1930s, such as the 24,000 social homes of Becontree.¹

The very quick growth of the London agglomeration is allowed by the continuation of the very early development of public transport. The city had already been the first in the world to build an underground metro in 1863, and developed additional lines in the rest of the 19th century, such as the Circle Line (completed in 1884) and the extension to the growing peripheries. The electrification in 1890 onwards had also reduced commuting times, all the more accelerating the development of new lines. The Interwar period marks a new wave for improvement of the transport network. The current Metropolitan Line (to Watford and Uxbridge in 1925) and the Jubilee Line (to Stanmore in 1932) are opened by the company Metropolitan Railway, which also creates a real-estate development company: the Metropolitan

¹ Interestingly the same criticisms to these new homes as in France are made, beyond the limited quality of domestic equipment, notably the lack of local education and health infrastructures, as well as other services and places for sociability such as pubs.

Country Estates. Transport and real-estate development appear very openly coordinated back then. The metro thus plays a crucial role in the urban growth of the second belt of the city, except the east which is not attractive to the middle-classes. In 1933 the public transport of the capital (metro, tram, bus) is placed under public authority with the creation of the London Passenger Transport Board. The growth of the agglomeration continues quickly to reach 8 million people in the late 1930s, at the time when the first political and urban reflections on its limitations appear.

...to the advent of Paris and London functional urban regions

The liberation of Paris in 1944¹ and the end of the Second World War marks a new growth for the City of Paris, which quickly regains the level of population of 1936. Despite the cultural effervescence of the existentialist movements, most of the City of Paris still experiences tough housing problems, with a lot of insalubrity, a remaining under-equipment of homes – in 1954 81% did not have a bathroom for instance (Combeau, 1999, p. 107) – and the development of slums in areas next to train stations and in the periphery. In 1950 the Habitations à Loyer Modéré (HLM) are developed, with much public funding from the Caisse des dépôts, but the access remains difficult for households. Another disposition in 1953 tries to reinforce the effort for housing: the 1% Logement, which makes all companies of 10 employees or more to devote 1% of its total wages to the construction of housing. A lot of programs are carried out in the periphery of Paris through several Zones d'Aménagement Concerté (ZAC) – in Glacière or in the Vieux Vaugirard – and the first blocks of more than ten floors are built (“barre” and towers) mainly in the 13th arrondissement. During the 1950s and the 1960s people in Paris find it more and more difficult to find a home,² and they tend to locate in the suburbs where the first *grands ensembles* are erected (see Appendix p.205) – based on functionalist principles from modern architecture and the architect Le Corbusier. Unlike other Western European countries like the United Kingdom or the Netherlands, which attempt at that time to solve the housing crisis by the construction of garden cities, France chooses the urban model of the “barre” and the tour – massive longitudinal blocks for housing a maximum number of people.

¹ Unlike London Paris has not especially been marked by World War II, despite having temporarily lost its status of capital city for Vichy.

² The importance of housing in this Post-War period is reinforced by the very cold winter of 1953-54 and the famous call by the Abbé Pierre, who shelters hundreds of homeless people in dedicated areas and creates the association Emmaüs in 1954.

During these Fordist times, as seen in Chapter 1, the urban growth goes beyond the agglomeration and also takes the form of suburbanization especially in the 1960s and 1970s onwards, both in pavilion suburbs and secondary urban centralities. In the meantime, as described in the last sub-part, many industries move their production sites away from Paris either in the region or even in the rest of France, to leave only their headquarters, managerial and R&D in the capital – or sometimes even all their activities (Citroën, say, Panhard or Snecma). During the 1950s and 1960s five millions of square meters of industrial activities are destroyed and replaced by offices, banks or retail activities. The publication in 1947 of Jean-François Gravier’s *Paris and the French desert* (see Chapter 2, Part C) reinforces the political voluntarism in favour of regional and national redistribution, as illustrated as soon as 1955 – before the return of the General de Gaulle in 1958 – with the *agrément* policy. For controlling the location of administrations (in 1955) and private companies (1959) an *agrément* (authorization) by the central government was necessary both for construction (an *agrément constructeur* was required for any unaffected - “en blanc” - construction higher than 500 m²) and for occupation (an *agrément utilisateur* was required for settling in any offices higher than 2,000 m²). The DATAR widely used this tool in its deconcentration policy.

As described in Chapter 3 the voluntarist policies led by the Prefect of the Seine district Paul Delouvrier¹ with the support of the DATAR lead to the development of a regional transport network and five new towns beyond the Paris agglomeration in the 1960s and 1970s.² All this at a time when Paris as a functional urban region is growing: from 6.8 million people (mid-20th century) to 10 million people in the early 1980s, with a mostly peripheral growth and population loss from the centre (see the map of demographic growth by the Institut Paris Region in the Appendix p.206). The application of voluntarist policies inspired by “Paris and the French desert” – mentioned in Chapter 2 at a national scale – thus gives birth to the 1965 Schema Directeur d’Aménagement et d’Urbanisme de la Région Parisienne (SDAURP), in which five “new towns” (*villes nouvelles*) are planned in the region: Cergy-Pontoise, Saint-Quentin-en-Yvelines, Evry, Melun-Sénart (since then Sénart) and Marne-la-Vallée (Appendix p.207). The

¹ « *Delouvrier, bring some order to this mess* » [« Delouvrier, mettez-moi de l’ordre dans ce bordel ! »] is the famous sentence by the General De Gaulle to the Prefect of the Seine during an helicopter flight above the Paris region. It marks the beginning of these Gravierist policies in the capital region.

² Previous State policies have been attempted. Ones earlier evoked like Haussmann, and the *lotissements*. But also the Plan Prost and the Plan Directeur d’organisation générale de la région parisienne (PADOG) in 1960, which had mostly focused on equipping, structuring and limiting the growth of the Paris agglomeration.

objective is still to limit the growth of the agglomeration but important demographic objectives are set for the whole region – around 14 to 15 million people by the end of the 20th century – with this growth having to locate in these secondary planned and structured new towns. Massive new tools are created by the central government such as the Institut d’Aménagement et d’Urbanisme de la Région Parisienne (which has become Institut Paris Région since then) and a strong body for land policies, the Agence Foncière et Technique de la Région Parisienne (AFTRP). The planning of these new towns is carried out under the juridical regime of the Opération d’Intérêt National (OIN) – with 40,000 hectares of zones d’aménagement différé (ZAD) created in 1962 – by dedicated Etablissements Publics d’Aménagement (EPA). Once again the chosen urban scheme comes from modern architecture and functionalist principles, which is also applied to the new development *ex nihilo* of the business district of La Défense in the 1960s.

As related in Chapter 3 the development of these towns is also based on the realization of a new regional transport system: the Réseau Express Régional (RER). As shown in the Appendix (p.208), the network is built on a centre-periphery (radio-concentric or radial) scheme with the main preoccupation of linking Paris to the five new towns: the RER A links Paris to Marne-la-Vallée and to Cergy-Pontoise (and also to La Défense); the RER C links Paris to Saint-Quentin-en-Yvelines; the RER D links Evry to Melun-Sénart to Paris. From its main centre of Châtelet-Les-Halles,¹ the network spreads in the shape of a star to the suburbs, which renders journeys from suburbs to suburbs especially tricky, making people pass by the city-centre. In the 1970s the end of the Trente Glorieuses and the two oil-shocks put an end to the mass-investments by the central government into the infrastructures of the Paris region, at the expense of the building of the TGV network nationwide. The 1976 scheme lowers the demographic projections for the region (11 million people in 1985 and 12 million in 2000) and the new towns keep gaining population of at much slower rhythm than in the 1980s onwards. Eventually in accordance to these Fordist times based on the generalization of cars in households, the *boulevard périphérique*, a road belt surrounding the City of Paris, is inaugurated in 1973, and is in many respects a new wall for Paris, physically cutting it from its closest suburbs in direct urban contiguity. Thus the advent of suburbanization is tackled in the Paris region by centralized planning policies, which, being highly dependent on the national

¹ Another important urban decision at the time is the demolition of the Baltard pavilions in Châtelet, which is no longer the commercial and retail heart of the City of Paris, but a regional transport hub.

agenda, then stop while very hardly compensated by local policies and coordination. This settles the stage for a situation of underinvestment in the Paris region that the Greater Paris agenda tries to deal with almost thirty years later.

As for London the vivid growth of the urban agglomeration under World War II is also seen through the 1930s as a phenomenon to control. The Second World War is both a turning point in the history of the United Kingdom, but also of London which unlike World War I is directly on the front. The bombings by the Luftwaffe destroy a large part of East London – with strategic industrial sites aimed by the Third Reich – and the Blitz durably marks the London population. Admittedly unequally though since the population in collective housing, in the centre and mostly the eastern part of the County are the ones who suffer the most. If in 1945 the numbers are not as bad as the government feared, they are around 30,000 civilians and 50,000 grave injuries (White, 2001, p. 38). The City has been widely destroyed – even though Saint-Paul’s cathedral is still in place – so has most of East End. In 1943 and 1944 two urban plans are elaborated by the town planner Sir Patrick Abercrombie, respectively for the County and for the outside belt, which are approved by the government (Appendix p.209).

Their main objective – already mentioned in the 1930s by the Greater London Planning Committee¹ - is to stop the rapid growth of the London agglomeration – 8.6 million people in 1939 - that occurred during the previous two centuries and accelerated in the 19th and the Interwar period. The dominant view of London was a patchwork of autonomous authorities with their own identity (see for instance the 1943 map of London by Patrick Abercrombie in the Appendix p.210), the whole of which growing in an anarchic way. This leads to the Green Belt policy – also applied to multiple British cities – in London in 1947 onwards, namely a circular area with strong restrictions to urbanization. This policy is compensated by the creation of eight new towns and then *expanded towns* from 30 to 100 kilometres away from the central agglomeration, linked by rail transport and highways. The first generation of new towns in 1946 are Basildon and Harlow (Essex), Bracknell (Berkshire), Crawley (Sussex), and Hatfield, Hemel, Hempstead, Stevenage and Welwyn Garden City (Hertfordshire). As direct applications of the Garden City model, they were mostly composed with small houses and low-rise, with in

¹ This idea in fact harks back to Ebenezer Howard and his 1902 famous *Garden Cities of Tomorrow*. In this essay he pledges for the development satellite towns (named “garden cities”) around the central city, the whole constellation forming what he names a “social city”, a sort of regional urban system resembling a polycentric metropolitan structure.

each unit schools, places of worships and a limited number of shops and services (Clapson, 2017). In 1965 the New Towns Act launches a new phase for this policy, and existing towns such as Northampton and Peterborough are re-designated as new towns. During this second wave the largest and most successful project is probably Milton Keynes (North Buckinghamshire), which introduces style grid road system and separates residential district from industrial and commercial ones.¹ These regional planning policies (see the map by Manuel Appert in the appendix p.211) shaped the skeleton of the Greater South East (P. Hall, 1988, 1989, 2004; P. Hall & Pain, 2012) which was referred to in the previous chapters as a somehow polycentric megaregion. Paul Cheshire and Galina Gornostaeva rightly insist on the fact that *“the land use planning system in place since 1947 requires the maintenance of constant urban boundaries and the protection of unbuilt land, or 'Green Belts',² around them. Growth of London has thus been significantly squeezed to leapfrog across green space to satellite communities. (...) These differences in land use planning policies themselves are likely to reflect the historic differences in the spatial distribution of upper, and politically more influential, social groups in the two countries”* (Cheshire & Gomostaeva, 2001, p. 187);

Eventually the heart of London transforms as well. The bombings have contributed to move many industries out of the County and only a few settle back in Central London in 1945 onwards. The new towers built epitomize the new post-industrial specialization of the city in commerce and services (Bourgne et al., 2018, p. 443). The docks close one by one in the 1960s with the end of the British colonial Empire, since the Commonwealth does not offer the same economic assets and protective effects *vis-à-vis* other continental metropolises. In 1966 the Port of London Authority tries to develop a more modern port infrastructure in Tilbury (eastwards in the beginning of the estuary), which does not prevent the decay of the port of London, which is largely overcome by Antwerp and Rotterdam. On top of that the numerous strikes by the dockers in the 1960s and 1970s jeopardize the attractiveness of London for foreign logistics

¹ Its success can be assessed in its continuous growth, and simply by the fact that 70% of its inhabitants also work in the town, for a total and still increasing population of 230,000 (according to the 2011 census).

² The « Green Belt » around Greater London is still in place today, and is the subject as previously described of important debates on its effects on the shape of cities (Longley et al., 1992), and especially on its limiting effect on housing development and metropolitan growth. Paul Cheshire for instance highly recommends the end of the Green Belt for London's competitiveness (Cheshire, Seager, et al., 2015), while others like Ian Gordon suggest better evaluation criteria and different scenarios (Blanc, Gordon, Mace, & Scanlon, 2016).

companies. The docks in the early 1980s become a complete fallow land and the symbol of the decaying former world-capital. Inner London¹ experiences a massive decline all along the 1960s and 1970s, and is analyzed as follows by Jerry White in *London in the 20th century*: “*The economic decline of inner London from the mid-1960s had many interacting causes. Deindustrialization and the leakage of manufacturing jobs were reflected in higher than previous post-war unemployment rates from 1966. These worsened considerably from 1974 to 1980, and then rose dramatically through the 1980s and beyond. Migration from inner London, most telling among skilled manual and white-collar workers, causes a 27 per cent fall in its population between 1961 and 1981 to 2.35 million, just over half the 1901 figure. Those workers left behind were the poorest, and they were increasingly clustered in the council estates*” (White, 2001, p. 73). The whole London functional urban area loses population over this period, from the 9.8 million in the mid-20th century to 9 million in the early 1980s, unlike the Paris region at the time which keeps growing. The return to metropolitan development occurs as previously seen in the mid-1990s onwards.

Thus London experiences a socioeconomic and urban decay during the second half mostly due to the fall of the British Colonial Empire, which never happened in Paris since the fall of the Roman Empire. Because of the unique intricacy between the development of the French capital and the construction of the State, Paris had known an extremely quick development in the late Middle-Ages before continuing its development in Modern Times but in a rather flatter way than London, but in the end never experiencing until today the kind of decay that London knew in the Post-War Fordist period. This control and instrumentalization by the central government reflect in the political administration of the capital (2), as well as in the mirror structuring of contemporary economic elites, which is described in the conclusive part of this Chapter (3) and in the fifth and last one.

¹ The part of London within the boundaries of the London County Council is today referred to as “Inner London”, “Outer London” relating to the additional boroughs integrated to the new Greater London Council in 1965 (see part D-2).

2) Two institutional pathways to handle Fordist growth

The Paris centre-periphery split and the first unsuccessful attempts for a Greater Paris

The historical analysis shows how specific the pattern of Paris urban growth is. It occurs through successive walls and limitations by the State, minimally catching up with urbanization, where the development and monumentalization of the city-centre contrasts with the purely functional vision of the *banlieues*.¹ The development and industrialization of Paris in the 19th century and the first half of the 20th century, happening both in the City of Paris and in the surrounding 80 communes of the Seine district, indeed brings tensions. First of all because the compactness of Paris leads to the export in the suburbs of functional equipment that the capital needs but that both are space-consuming and even sometimes generate negative externalities. For instance graveyards (large functional graveyard being exported in Pantin or Bagneux for example, while the ones for famous figures like the Père Lachaise or Montparnasse being left in the capital), water purification plant, waste management plants, military forts and later on airports.² The management of wastewaters is an especially sensitive matter in the end of the 19th century. The Parisian authorities no longer want to tip it out in the Seine and the Plain of Genevilliers – which was regularly used for this purpose – has been caught up with by urbanization. Hence the choice of new further tipping-out points in Pierrelaye, Achères and Houilles-Carières, justified by high-ranking officials to the mayors by the opportunity for developing market-gardening cultures, while it is very quickly clear that these waters are polluted.

Yet in the middle of these tensions necessary technical cooperation are developed. Urbanization *de facto* links these territories and bring them to compromise practices through the development of urban services networks – the first historical forms of *intercommunalité* as specialized bodies named *syndicats*: for gaz (1903), funeral parlours (1905) and in the 1920s

¹ This term has so far in this Chapter been replaced by « suburbs » or « peripheries ». Etymologically it means the “league of the ban” [“lieu du ban”], the *ban* being a feudal term of Franque origins successfully designating the law of the lord, the convocation of the vassals by the king and by extension the territory under the jurisdiction of a lord. In other words the term underlines an idea of territorial subordination.

² Hence the famous consecrated formula that « Paris exports its waste and its dead », and the metaphor of the “*doormat banlieue*” [“banlieue-paillasson”] by the French writer Louis-Ferdinand Céline (see the text in the Appendix p.212)

onwards for water and electricity. These forms of *intercommunalités* are extremely important since they gather elected officials from different political sides and different parts of the Paris agglomeration, and create a sufficiently strong body to negotiate with private firms on these matters.¹ Beyond that the policies by the *départements*, mostly related to social and health issues, contribute to the development of metropolitan policies, such a network of crèches, and the urban experimentation of garden cities in the Seine *banlieue*.² Eventually these functional policies are strongly controlled by engineers from the central government and the Ecole Nationale des Ponts et Chaussées. Step by step local dynamics of technical and academic professionalization emerge in the Interwar period. Technical with the creation of the Ecole des Hautes Etudes Urbaines in 1919, which becomes in 1924 the Institut d'Urbanisme de la Ville de Paris, today known as the Ecole d'Urbanisme de Paris, which plays a central role in the recognition of urban planning as a discipline and a specific academic knowledge. Academic with the creation of the Ecole Nationale d'Administration Parisienne (ENAM), which no longer exists – having since then been attached to the Ecole d'Urbanisme de Paris but which taught four generations of administratives of the Paris region (General Directors of Services, high-officials of Paris or municipal services of city halls of banlieue). The French historians Emmanuel Bellanger, Florence Bourillon and Annie Fourcaut then rightly pinpoints that the simple relationship between the Jacobite State and the City of Paris at that time do not really encompass the reality of the administrative and technical exchanges at the scale of the Paris agglomeration, mostly thanks to the development of urban networks (Bellanger, 2013; Bourillon & Fourcaut, 2012). And the Seine district and authority of the Prefect in fact resembles more a negotiated partnership, as if the development of technical and administrative resources at the time was sometimes transcending political divisions.

Nevertheless beyond this technical and administrative emerging coordination, the situation is very far from the advent of a dedicated metropolitan structure. Simply because the Third Republic as previously mentioned bases its consolidation on the mayors and the *communes*, but had chosen not to include Paris in the 1884 law. In other words the 80 communes

¹ More specifically companies originally only wished to expand the networks in profitable areas of the suburbs, which was eventually the case since these *syndicats* had significant technical, financial and political resources to negotiate. All the more when the first forms of mutualisation of fiscal resources such as the octroi allows better redistribution of resources at the scale of the agglomeration.

² The most famous example being the garden cities of Suresnes developed by the Henri Sellier (Appendix p.214), who remains mayor of the city from 1919 to 1941 and is still considered as one of the pioneers of the idea of Greater Paris.

of the Seine *banlieue* – becoming for some of them quite dense and populated, between 50,000 and 80,000 inhabitants in the 1930s - all develop strong and anchored local political identities all along the Third Republic, all the stronger as the opposition to the city-centre grows. As shown in the 1959 map of the coats of arms of the communes of the Seine district (the Appendix p.213) the Third Republic model of the “triumphant city halls” [“mairies triomphantes”] also applies to the communes of the Seine banlieue. In this context the first political attempts for better coordinating urban policies and improve the economic solidarity between Paris and its suburbs develop in the 1900s onwards behind some mayors of the Seine district (see the main figures in the Appendix p.214).¹ These figures emerge from these technical and administrative network of actors earlier described, as prefectural high-ranking officials and/or engineers from the *Ponts et Chaussées*, and are qualified as “reformists” – which relates to a milieu of social and cultural reformists influenced by social hygienists and mostly British ones. Using the framework of the Seine district, which operates as an intermediary in the negotiations between the city-centre and its suburbs, they bring many other Seine mayors in the creation in 1909 of the Union des Maires de la Seine (UMS). The main actions are in favour of the resorption of insalubrity, diseases and overpopulation, through the extension of commodities of the capital: opening of the canals of Ourcq and Saint-Denis, construction of ports, densification of public transport, heightening of new bridges, generalization of sewage systems, electricity and gas, construction of salubrious social housing and education infrastructures. These overall interrelations favour the penetration of health and social progress issues and ideals within the whole agglomeration (Bellanger, 2013, p. 54).

Beyond these initiatives some specific political figures such as Henri Sellier (Mayor of Suresnes) and André Morizet (Mayor of Boulogne-Billancourt) (see Appendix p.214) advocate all along the Interwar period for an administrative reform of the Paris region. In particular Henri Sellier, before becoming President of the Seine district, who writes a pioneer report in 1914, *The urban banlieues and the administrative reorganization of the Seine district* [“Les banlieues urbaines et la reorganisation administrative du département de la Seine”]. In this document he firmly denounces the anarchy and absence of administrative preparation which caused major urban problems of the *banlieue*. He more specifically advocates for the creation of a dedicated

¹ The term « Grand Paris » first appears in 1910 at the initiative of Louis Dausset, municipal councillor of Paris and reporter of the budget (Bellanger, 2013, p. 53). It becomes then widely used by these political figures during the Interwar period.

general council for the Seine, for both better coordination of metropolitan policies but prominently higher solidarity and better redistribution of economic resources (see the analysis and propositions by Alfred Thomas and Henri Sellier in the Appendix p.215-217). The other important figure for these attempts is André Morizet, who writes with Henri Sellier a report in 1936 for Léon Blum (who was President of the Council for the Front populaire), in which they support similar reforms. The end of the Front populaire, the beginning of World War II and the development of urbaphobic and anti-Parisian trends in 1945 onwards finally bury these attempts.

Thus the political isolation of Paris in the institutional development of the Third Republic, added to the growing Paris agglomeration around the dense and constrained central city, leads to the advent of economically and spatially dense *communes* within the Seine district which develop strong political identities against Paris. The functional necessities for dealing with urban issues at the agglomeration scale lead to the first reflections on the technical and even political organization of a Greater Paris. Once again the centralization trends, which reach a new level in the Post-War planning policies, bury the attempts for local and autonomous coordination at functional urban scales for the French capital. This reflects in a very different way of politically and administratively responding to suburbanization than in London.

Two institutional schemes for handling suburbanization: regional split in Paris, metropolitan extension in London

The Post-War Fordist period is marked as previously seen by an important wave of suburbanization way beyond the existing boundaries, being the ones of local authorities or State districts. Both governmental policies have aimed at handling suburbanization through the limitation of growth of the central agglomeration and the development of satellite new towns for absorbing this demographic growth. With some notable differences such as the use of “Green Belt” cities in London and the whole Britain, and the application of architectural and urban functionalist schemes in the Paris and French case.

These parallel trends and voluntarist policies coincide with two institutional pathways regarding the administrative organization of the metropolitan region in the 1960s onwards. In Paris the return to power of the General De Gaulle in 1958 and the advent of the Fifth Republic correspond to a reinforcement of the executive power over the legislative one which more related to the Third and Fourth Republics. The centralization of power based on the prefectural scheme was the basis of the voluntarist planning policies nationwide and in the Paris region as

previously mentioned. Hence the creation in 1961 of the District of Paris at regional scale, as the outcome of very tense political debates between the central government with the local councillors of the general council of the Seine. The local representatives gather behind the mayor of Puteaux George Dardel, President of the Seine general council and General Secretary of the Union des Maires de la Seine.¹ But these oppositions precipitate the abolition of the Seine and Seine-et-Oise districts in 1964 and a recomposition of the districts (*départements*) in the Paris region. While the District of Paris implements the 1965 planning scheme by Paul Delouvrier (SDAURP), the internal institutional scheme of the region evolves to 8 *départements* – the city of Paris becoming both a commune and a *département*: the Hauts-de-Seine (92), the Seine-Saint-Denis (93), the Val-de-Marne (94) in the “petite couronne” and the Yvelines (78), the Val-d’Oise (95) and the Seine-et-Marne (77) – which remained untouched by the previous reforms (see Appendix p.218).² This reform is still criticized today by some as having split the solidarities that had emerged in the end of the 19th century onwards at the scale of the central agglomeration (Dallier, 2008), while others recognize it as an administrative adaptation to suburbanization and to the advent of a metropolitan economy of regional scale.³ Eventually the District of Paris becomes the “Région Ile-de-France” in 1976.⁴

¹ Many of the mayors of the Seine *banlieue* during the Interwar that had been especially active on the Grand Paris project, such as George Dardel, were left-wing and belonged to the Section Française de l’Internationale Ouvrière (SFIO), which in the 1960s reinforces the opposition to the Gaullist power.

² Beyond the preoccupation of forming rather demographically balanced districts – which is today still the case, each one of them outside Paris housing between 1.2 and 1.5 million people – one must not ignore the political and electoral calculation by the Gaullist power. By isolating the working-class and Communist *banlieues* of the Seine-Saint-Denis and the Val-de-Marne – the “red belt” as it was called – the risk of a left-wing majority in what was the heart of the agglomeration considerably weakens in such a new regional scheme.

³ In this respect the debate still prevails today between those in favour of the present Métropole du Grand Paris, *intercommunalité* created in 2016 which somewhat covers the same territory as the former Seine district, and those in favour of a metropolitan authority at the scale of the actual Région Ile-de-France. These oppositions are extremely political and could return on the foreground of the political agenda with the announcement of the new Macron government of a debate on decentralization with a possible agenda on the administrative reform of the Paris region.

⁴ The origin of the name « Ile-de-France » - which then replaces the “region parisienne”- is quite mysterious. Its first known use dates back to the Medieval *Chronicles* by Jean Froissard in 1387, in which he describes an “Isle-de-France” as a wider territory including the southern part of Picardy. Two theories co-exist without the certainty of either of the two being true. First that it would have been used to describe the area back then surrounded by four rivers: the Seine, the Marne, the Oise and the Loing. Second that it would derive from the Saxon term “Liddle Franke” which means “Small France”. Yet what we are sure is that the choice of the name in 1976 was the outcome of a tough debate in the Assemblée Nationale, between Parisian representatives in favour of keeping the name “region

Notably at the very same time the opposite happens in London with the extension of the boundaries of the London County Council. Already anachronistic at its creation in 1889, it had become completely overcome by urbanization since then. During the Interwar period the London Progressive Party had already claimed for an extension, leading to the creation of a Royal Commission for London Government in 1921 chaired by Lord Ullswater. This initiative was close to a fiasco, failing in negotiating between the claims for autonomy by the peripheral boroughs and the very slight wishes for administrative extension formulated by the representatives of the council (Robson, 1939, pp. 294–295). The question had arisen again the 1940s through the London figure of the Labour Party Herbert Morrison, who benefited since the mid-1930s from a comfortable majority in the County. Despite the same comfortable majority nationwide under Clement Attlee between 1945 and 1961 the extension is eventually abandoned for purely electoral reasons. Sheltering massive working-class population the London County Council was clearly identified as a stronghold for the Labour Party, and expanding it to suburban boroughs mostly formed of individual housing and more Conservative population was seen as a political suicide.

It is the very same reasoning that eventually leads the Conservatives – which had come back to power in 1951 – to carry out the administrative extension of the County. A new Royal Commission on Local Government in Greater London is created and chaired by Sir Edwin Herbert between 1957 and 1960. It claims for a metropolis of 52 boroughs with more integrated powers than the actual ones, the smaller boroughs having to merge for better efficiency. Faithful to their localist conceptions the Conservatives only apply a general scheme of the propositions by the Herbert Commission when creating the Greater London Council (GLC) with the 1963 London Government Act. Especially complying with the numerous claims from peripheral local authorities for independence the reform brings back the number of boroughs to 32 – 33 with the City of London – limiting the boundaries to somewhat the Green Belt, which coincide with the actual Greater London Authority (see the map of the new Greater London Council in the Appendix p.219). Regularly criticized for being an administrative and bureaucratic structure, the Greater London Council suffers as soon as its inception from a rather intentionally fuzzy division of roles between its two administrative layers – which sometimes gives the impression of a coexistence of two local levels rather than a shared and negotiated government.

parisienne” and the ones from the suburbs who refused both the reference to “Paris” and the term “banlieue” and who eventually won with the choice of “Ile-de-France” (Panon, 1976).

Peter Ackroyd rightly assesses this structure by invoking the long-term history of the British capital: *“The civic existence of London, like some Behemoth below the water, continued ineluctably to expand (...). The GLC (...) was given responsibility for a new “Development Plan” for London including the distribution of population, employment, transport and redevelopment in the continuing delusion that the city could somehow be made to serve the will of civil servants, politicians and planners. Even at the time of its inception, however, the Greater London Council was not great enough to control and supervise the expansion of a city which, in terms of planning for population and employment, now took the entire south-east of England. Its administrative area was already anachronistic, and its planning purposeless. It could not have been otherwise”* (Ackroyd, 2000, p. 762). Its incapacity to elaborate and implement large structuring urban and infrastructure project is at the heart of the criticisms, which is epitomized by the fallow lands that the Docklands had become and still remained throughout the 1970s.

These two institutional schemes are key for understanding the contemporary Post-Fordist period at the heart of this thesis. Indeed when the abolishment of the Greater London Council (GLC) in 1986 by Margaret Thatcher,¹ mentioned in the next chapter, opens an era of absence of institutional structures for London, the reaction, coordination and negotiations by the whole London relational system – and above them business associations - are only understandable with this long-term historical perspective. As for Paris the institutional split coincides with the long-term centralization and control of the government of Paris by the State. Slight concession in the mid-1970s: the return of a mayor in 1975, with a regular elective process of a commune,² granted by the President Giscard d’Estaing. Despite the fact that Paris was the heart of the May 1968 movement, the capital city is mostly right-wing since 1945, which for a central right-wing

¹ In spite of the fair criticisms made to the Greater London Council, this decision was openly autocratic and motivated by a personal opposition between the Iron Lady and the former President of the GLC Ken Livingstone – “Ken the Red” as he was nicknamed. It was so personal that the inauguration speech of the same Ken Livingstone, newly elected Mayor of London in 2000 at the head of the Greater London Authority, started as follows: *“As I was saying before I was so rudely interrupted 14 years ago...”*.

² Before the 1983 PLM law – for « Paris-Lyon-Marseille » - that creates a specific indirect process of election, with both arrondissement and municipal councillors. This law inspired by the Home Secretary of President François Mitterrand Gaston Defferre was a pure electoral calculation destined to ensure the election of the very same Gaston Defferre in Marseille in 1983 despite a lower number of total votes. As for Paris the aim was to weaken the mayor of Paris Jacques Chirac who was then also the leader of the opposition nationwide.

government wanes the fear for a revolution. For the first time since very brief episodes in the French Revolution, and in 1848 and 1870-71, the Parisians elect a mayor in 1977, namely Jacques Chirac. Despite its huge financial and technical resources related to the population it covers – today around 10b€ and 50,000 agents for only 2 million people -, the whole institutional system remains very centralized and this reform is not *per se* a real turning point. Not only because the City of Paris just covers the hyper-centre of the metropolitan areas, but also because the 1977 election illustrates the permanent collusion between municipal and national issues. The opposition between Michel d'Ornano and Jacques Chirac epitomises the opposition between the two opposite trends within the presidential majority (Bove et al., 2017, p. 47), and more generally the Mayoralty of Paris is often seen as a catalyst for national ambitions.¹ The administrative decentralization carried out in the early 1980s onwards here again happens within a very specific relational system in the Paris region that can only be understood through a long-term historical retrospective.

And the historian Jean Favier to brilliantly conclude: *“governed by Paris until complaining about it, the province will be mostly by provincials. After the times of the ministers taken in a feudal aristocracy that is hard to qualify by its place of birth, native Parisians in the government are rare. Neither Colbert nor Turgot are. Neither Danton, nor Robespierre, nor Hébert, nor Marat, nor Saint-Just, nor Fouché. Centralists, the Jacobite are as provincials as the federalists of the Gironde. Of the twelve successive directors of the collective government of the Directoire, not a single one is Parisian. Amongst the ministers of Napoléon, one Parisian: Talleyrand. Since 1815, France only had six Paris-born Heads of State: Louis-Philippe, Napoléon III, Casimir-Perier, Félix Faure, Alexandre Millerand and Jacques Chirac. Let us not forget the high figures of the Republic, Presidents of the Council, ministers or head of political parties, Grévy, Ferry, Favre, Thiers, Gambetta are provincials. Clémenceau is no more Parisian than Jaurès. Laval and Herriot are as provincials as Daladier and Bidault. One can only quote a few exceptions: Tardieu, Blum, Mendès France”* (Favier, 1997, pp. 311–312). And a little bit further he even widens the perimeter of his analysis: *“Centralization is resumed during the 19th century because of three novelties: the grandes écoles which announces the creations of the thermidorian Convention and which quickly form a true nationwide selection*

¹ This can be verified by the accession to the Presidency by Jacques Chirac in 1995, after having remained Mayor of Paris from 1977 to 1995.

system, the constitution of a unified civil service with careers that favour Parisian recruitments, the birth of a national railroad system facilitating migrations to Paris” (Favier, 1997, p. 313).

3) Towards the contemporary analysis of big business leaders and economic governance in Paris and London: when the Third Industrial Revolution reanimates long-term relational systems

While the long-term history narrated here has been analysed through the possible effect it had on the 18th and 19th Industrial Revolution, the trends and relational systems earlier described appear relevant in analysing the time frame of this thesis, namely another Industrial Revolution. As stated before, just like the previous ones, it generated worldwide mass-urbanization and, when it comes to the geography of skills, on the (re)development of some superstar metropolitan regions including Paris and London. Therefore the long-term relational systems of the two regions, which include as described earlier a wider national relational system, appear extremely important in understanding how similar technological changes materialize differently in these two urban economies.

Since the objective of this thesis is to compare the “economic governance” of the two capital cities and how they affect the metropolitan dynamics highlighted earlier, which is the object of the next Chapter, this last sub-part suggests as both a conclusion to this historical journey and an introduction to Chapter 5, that the different patterns of long-term centralization materialized in the urban and relational structure of the two capitals mirrored in the respective unequal urban embeddedness of big business leaders. The concept of urban embeddedness is defined in the last Chapter, but can generally be referred to as the involvement of economic actors in a geographically bound social structure. The focus on big business leaders is mainly due to their unique presence in capital cities of two primate urban systems and capacity to influence political decisions.

In this respect, I would like to raise the hypothesis that these two long histories have resulted, unlike in London, in the notable absence of big business leaders properly from Paris and involved in its development as a proper metropolitan economy as well as in its local politics. An hypothesis that I simply share in these last paragraphs, without of course being able to demonstrate it. Even though data and sources on large companies remain rather scarce during

this period, first forms of big business knowingly emerge between the 1830s and the 1880s (Cassis, 2013, p. 174), prominently in coal, iron and steel industries in Europe and mostly in Britain, France and also Germany. The most notable examples in Britain of firms of more than 5,000 workers in 1870 are the Downlais Iron Company (in southern Wales), Bolckow Vaughan (with its main activities in Middlesbrough) and Bell Brothers (many activities in Northeastern England). They were respectively headed by major figures of Victorian business leaders: Sir Josiah John Guest, Sir Isaac Bell or Henry Bockow. Other important figures in textile industries in most parts of the British provinces are also at the heart of the Industrial Revolution (the Strutt, the Greg or the Pease for instance), as well as leaders in large food industries, such as the Whitbread, the Cadbury or the Rowntree, or in chemistry and glass-industry such as the Lever brothers, the Pilkington and Sir John Brunner. Isabelle Lescent-Giles shows how deep the political impact of such figures was on both British local and national politics, describing them as the rising “upper-middle-class” of Victorian society progressively taking socioeconomic and political positions at the place of the big British land feudal lords (Lescent-Giles, 2006).¹ Sometimes also through the entrepreneurial activities of these very lords, as well as the ennoblement of business leaders so typical to Britain and especially Victorian times. London clearly takes his part in these emerging figures and economic dynasties, just like the Industrial Revolution happened in Northern England but benefitted to the capital, not so much as a manufacturing centre but as a hub for finance, consumption, negotiation and trade between internal production and the rest of the world –prominently the British Empire. It is then not surprising that proper Londonian big business leaders emerge at that time such as the mythical dynasties of the City such as the Baring, the Warburg or the Rothschild.

Just as the French Industrial Revolution displays specificities previously highlighted – a flatter and more centralized scheme – the emergence of big business leaders and their socioeconomic and political involvement in both local and national scales raises some questions. First of all, if the French industrial revolution has been widely analysed, business history and monographies of business leaders – what could be named by the French word

¹ This can easily be measured by their political success throughout the 19th century: the abolition in 1828 and 1858 of the political discrimination of Non-Anglican Protestants, Catholics and Jews ; the 1832 abolition of the rotten and pocket boroughs, which reinforces the political weight of industrial towns of Northern England in British politics ; eventually in 1846 the victory of the manufacturing lobby on the agro-food one with the abolition of the Corn Laws – which constituted a protectionist measure on floor imports that increased the cost of living in industrial towns.

patronat – are notably poor as compared to England.¹ Until the publication under the supervision of Jean-Claude Daumas of the *Dictionnaire historique des patrons français* (Flammarion, 2010). Beyond the scarce material on big business leaders in 19th century France, the spatial dynamics of the French industrial revolution raise the issue on whether or not comparable Parisian major figures and dynasties emerge. The scrupulous reading of this very unique dictionary as well as interviews with the main economic historians that coordinated it – Jean-Claude Daumas and Dominique Barjot – suggest to the author of this thesis that there is not. In almost all cases the scheme for the emergence of French big business throughout the 19th century and even during the first half of the 20th century mirrors the political and territorial consolidation. The city-centre incarnates the power of the State and requires the physical presence of headquarters, but the relationship to the whole agglomeration as an urban economy and a local relational ecosystem seems extremely light. The biography of the then big business leaders mostly relates to regional economic entrepreneurs, having developed an economic activity somewhere in France and coming to Paris to settle new headquarters in the growth process of their business, but while frequenting the “Tout Paris”² also keep and cultivate a strong regional anchorage.

Let us simply look at some examples. Undoubtedly the development of big businesses in steel, coal and iron manufacturing also gave birth to some specific French stories such as Schneider or de Wendel (Cassis, 2013, p. 175). Adolphe and Eugène Schneider were members of the Lorraine bourgeoisie and, fed by their paternalist inspirations, developed the famous industrial town of Le Creusot (Franche-Comté). Despite their strong national political role, and

¹ The monumental five-volume *Dictionary of Business Biography* by David Jeremy (1984-1986), financed by the British *patronat*, has to be mentioned here. Moreover it completed a long tradition of business monographies and business-leader biographies. There is for instance a very dense literature on the names and sectors earlier evoked: for the coal, iron and steel industry (Erickson, 1959; E. Jones, 1983), the textile industry (Howe, 1984; Rose, 1986; Toms, 1998), for the agro-food industry (Fitzgerald, 1995; Williams, 1931) or for chemistry and glass-manufacturing (Barker, 1960; Reader, 1970).

² The expression « Tout Paris », though older, becomes commonly used in the 1820s to designate a restrained political and economic elite group which gathers in some very specific society events in fashioned areas of the capital. The French historian Anne Martin-Fugier widely studied these places, people and practices for the 1815-1848 period and shows the intricacy between high-ranking State officials and the new bourgeoisie coming to Paris from every other areas of France, and the sociocultural struggle for entering these circles. She namely depicts the “national” dimension of this “Tout Paris” (Fugier, 1990).

notably when they diversified their activities into weapon manufacturing for World War I,¹ their link to the capital city to Paris was limited to the realization of the Pont Alexandre III for the 1900 Universal Exhibition (Daumas, 2010, pp. 646–647). The exact same can be said of the de Wendel (Daumas, 2010, pp. 715–717). If one thinks about the seemingly more “urban” examples of the Grand Magasins, which occupy a central economic and cultural role in the 19th century Paris, all of them are created by Provincials coming to the capital, both classical ones (Galerie Lafayette, Bon Marché, Printemps) or specialized ones (for furniture in Barbès for instance), with no visible implication either in local development or local politics.² Other examples for the 19th century and early 20th century such as in the luxury industry and railroads companies seemingly display the same scheme.³ Once again this is impossible to demonstrate, both because of poorer sources in the French case and especially because it would require a dedicated historical research. Yet the notable absence of Parisian big business leaders as opposed to regionals ones,⁴ until proven otherwise, raises the hypothesis of the dominantly national dimension of the relational public-private system happening in the Paris region, already at that time.⁵

Eventually, the 20th century and especially the Post-War decades in France, as described in the end of Chapter 2, are marked by the national consolidation of productive processes by big firms as well as national allocation of their productive structures. What could have constituted possible exception as Parisian business leaders may have then entered these

¹ Their canon of 75 was a huge success in their competition with their German counterpart Krupp.

² The only slight exception being the creation of a museum by Cognac-Jay but which does not imply an especially strong urban anchorage. The dominant discourse of these actors relates to the world dimension of their Grands Magasins (Daumas, 2010).

³ The historiography on Parisian business associations such as the Chamber of Commerce and Industry of Paris or various clubs and trade-unions of *patrons* distinguishes itself by the notable absence of big business (Delmas, 2007; Lemercier, 2005; Offerlé, 2012, 2013). This is tackled more precisely in the next Chapter.

⁴ Hervé Joly in 2015 for instance written a remarkable book on the Gillet familial dynasty in Lyon which covers the 19th and 20th century. He depicts the economic history of the textile and chemistry group, the familial genealogy and relationships between generations but also their territorial role in the development of the metropolitan economy as well as their involvement in local politics (Joly, 2015).

⁵ The remaining possible exception relates to banking – and even slightly – and would only applies until the early 20th century. Paris is a notably stable financial centre in the late 18th century and the 19th century, and rightly qualified by a “brilliant second” by Alain Plessis in the beginning of the 20th century behind the City of London (Plessis 2005). The French historian Nicolas Stoskopf has written an interesting book on the bankers on the Second Empire, in which he describes “Parisian” bankers but still with a narrow relationship, action and involvement in the Paris region (Stoskopf 2002).

somehow de-territorialization processes, strengthening these firms nationwide - and progressively worldwide - as economic actors whose headquarters remain located in the Paris region. But in terms of embeddedness drives them away from the metropolitan region as a dedicated relational system in favour of national and sectoral public-private interactions. With consequences on the economic governance of Greater Paris that are described in Chapter 5. All of this while conversely the British case was also one of State intervention at the time, but in a context of economic decay and a long-term tradition of fewer centralization and different perception of State intervention within the economy. This explains why Thatcherian reforms and the advent of the Third Industrial Revolution in fact re-animated the traditional relational system of London.

Conclusion for Chapter 4

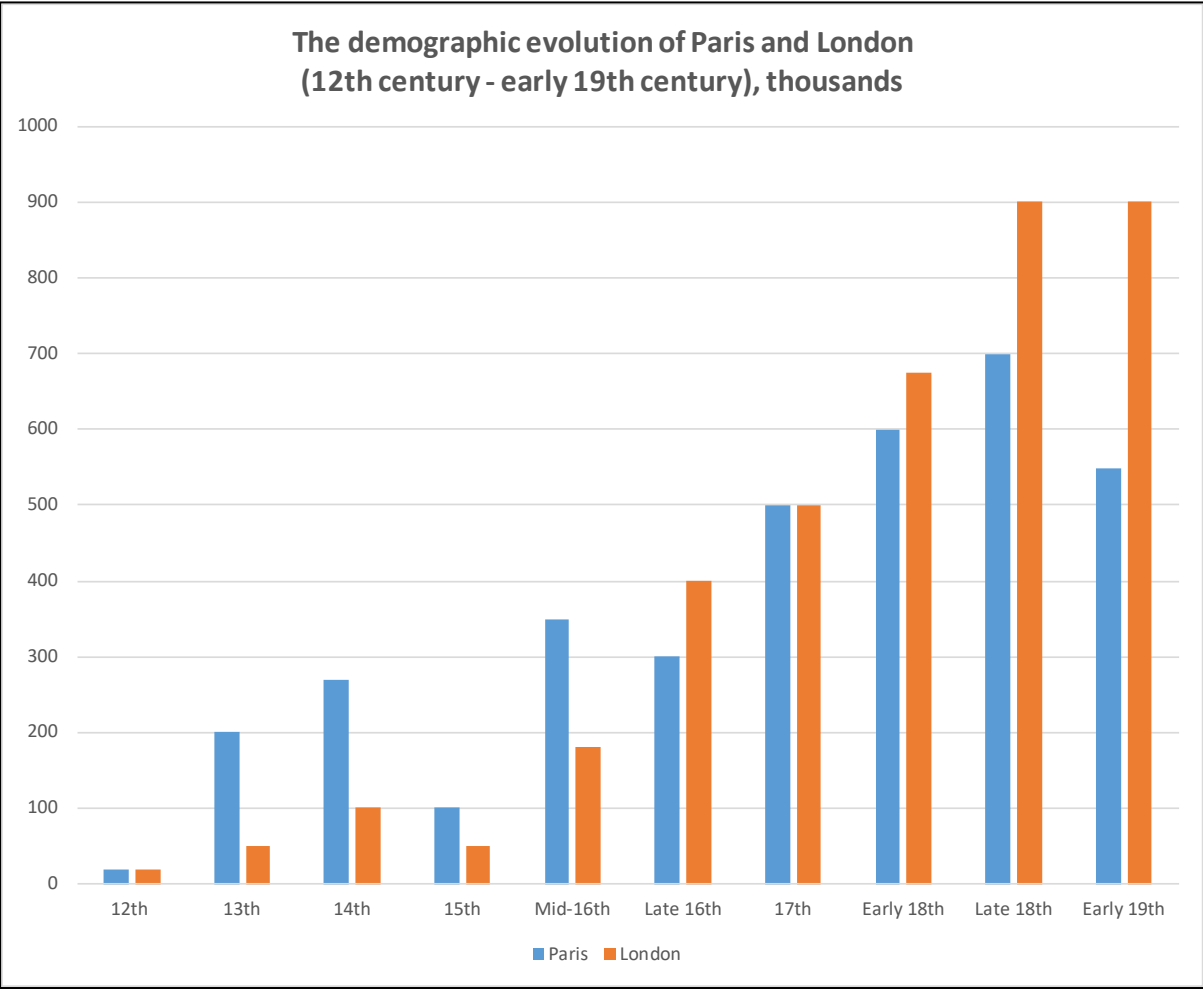
Despite older and unique State constructions in Western Europe, the relational systems of Paris and London diverged throughout centuries, affecting their development differently across successive economic and technological cycles

The aim of this historical Chapter was to highlight path dependencies in the compared urban growth of the two capital cities and in mirror the different relational systems that were solidly shaped by centuries. As soon as the Roman conquest and occupation, London is the geographical and economic interface between Britain and the open-world – from the Roman Empire to the British one and later on the global economy – which Paris never really was. The main function of Paris was always more political than economic, when chosen by Clovis but especially by the Capetians as the capital city and hence the incarnation of their institutional designs. The unique monumentalization of the French capital by successive rulers and regimes has never stopped since then, each one of them attached to the architectural and urban scripting of their power, prestige and legacy.

When the Anglo-Saxons and the Normans conquer Britain they conversely find a more powerful existing city with its own oligarchic autonomous regime, in permanent search for a political stability synonymous of economic prosperity, but never at the cost of its political freedom. The duality between the City and Westminster materializes a capital permanently structured by political and economic deals, tinged with mutual dependency and mistrust alliances, with a merchant centre sometimes claiming (and taking) a privileged role in solving political crises nationwide and sometimes asserting its autarchic and self-sufficient functioning. With the durable effect of permanently structuring and developing bottom-up interests, and notably providing an early political consciousness to merchants as well as displaying a quite unique intricacy between bourgeoisie and aristocracy – both in terms of individual figures and sociocultural references.

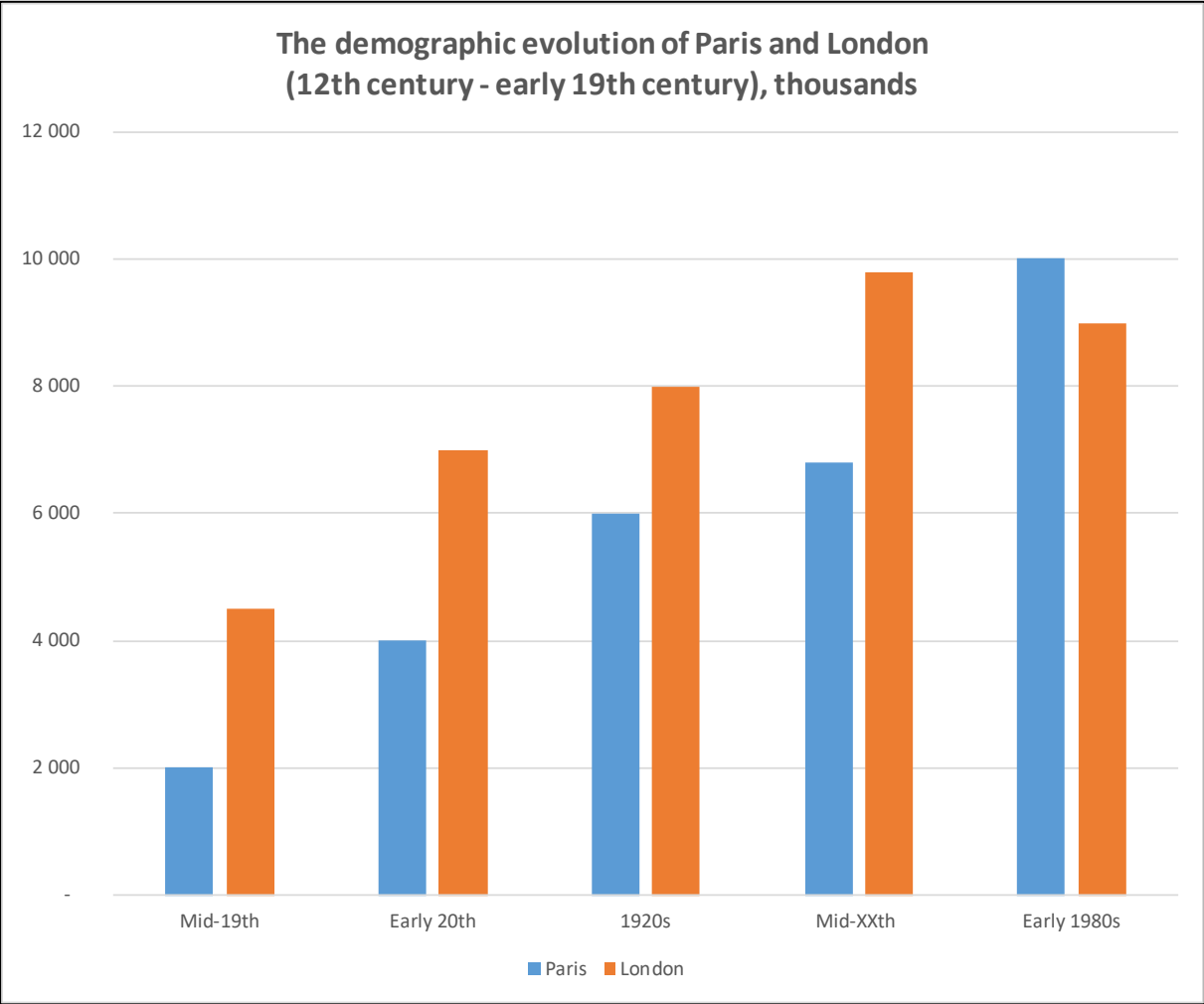
From being the work of art of French centralization Paris inherited as soon as the Middle-Ages a unique and never-questioned accumulation of economic, political, cultural or intellectual functions. No other European cities could compete with the French capital in the 13th and 14th century, and even in the mid-16th with a new promise of State pacification. Except

that on the long run such centralization, based on the early alliance with the urban and Parisian upper-bourgeoisie that entered a mirroring institutionalization within the royal administration – and later in the Jacobite State -, seemingly revealed underperforming in terms of autonomous economic development of both the capital and the regions. To the growing monumentalization of the capital by the central power respond the voluntarist limitations of its spatial spreading-out as well as its urban dynamism and political power. When the demiurgic promise of social and/or economic development by State policies is deemed unsuccessful, the revolutionary trends of the capital city awakens, but in the end always lose to a State that then tightens the grasp even more.



Conversely the London and British intricate links between feudal lords and merchants won against the absolutist designs of the monarchy, henceforth under control and reduced to the expression and embodiment of local and national interests. All of this setting a more favourable environment for transforming the 16th and 17th century scientific discoveries into multipolar entrepreneurial dynamics in the 18th century onwards, starting an unprecedented

divergence to Paris (see the graph above and the Appendix p.220). Permanently shaped by market-forces London simultaneously evolved to the urban patchwork still known today, as the consumption centre and trade and financial interface between the British Industrial Revolution and the emerging global economy. With structuring resistance to the imposition of metropolitan structures for policy-coordination, and minimal achievements in this respect only accepted because of functional necessity.



However in cycles of economic consolidation and rationalization – of low technological innovation – such as the Post-War period, it seems as if Paris (and France) had caught up with its whole late industrial development, at a time where its political centralization and long-term national economic consolidation – as well as State institutionalization of its economic engineer and managerial elite – finally matched. While London was decaying under the notable effect of decolonization and crisis of Post-War State policies, before conversely as stated earlier booming again in the Third Industrial Revolution.

The weaker and more polarized French Industrial Revolution (see the graph above) reveals the limitations and constraints created by its relational system inherited from history. Beyond the sole question of political State centralization and control of Paris, this Chapter has raised the hypothesis in mirror of a very low endogenous dynamism of the French capital, that is completed in the next and last Chapter by exploring the hypothesis of a notable absence of big business leaders properly from Paris and durably involved in its development. As if the long-term relational system was one of a national embeddedness of big business leaders settled in Paris and in close spatial and sociocultural proximity to the State. The intricacy between political and business centralization on the one hand, and the urban history of Paris on the other, nourish the very same long-term *trompe-l'oeil* that the Fordist period has catalysed. The one of a capital city gathering a unique array of functions but as a political rather than intrinsic economic outcome - including its unquestionable architectural beauty shaped by long-term history and State monumentalization – which unlike London has thus neither been extremely dynamic during the last 400 years nor experienced a decay that could raise any kind of vigilance and awareness. The one of a country with a strong and persistent belief in the unique capacity of the State to generate development and a deeply anchored way of tackling developmental issues through planning, infrastructure and rationalization of productive processes. A long-term history of a political and sociocultural transcendence that simply moved from Monarchy to Republic. All of this expressed in very specific interrelations between public and private actors, based less on negotiation and compromise than on top-down discretionary decisions, by public authorities as well as big businesses, all believing in its higher efficiency.

If one thinks on how similar the spatial and quantitative dynamics of both Industrial Revolutions highlighted in Chapter 2 and 4 are, it seems reasonable to think that the same causes could produce the same effects in such contexts of comparable macroeconomic and technological cycles. And that the relational infrastructure of big business leaders, the places, bodies and canals by which they formally or informally interact (or not) with one another and with local and/or national public officials, maintain the same vision at the expense of other developmental schemes. Namely in the French case centralized and administered ones based on Fordist rationalization and equalization, rather decentralized and endogenous ones based on the dynamism of metropolitan economies in the British case. The first one proving inefficient in developmental cycles such as Industrial Revolutions where the value added for being a performant second-mover significantly wanes in favour of innovative and reactive first-movers.

It is this hypothesis suggested by the spatial and socioeconomic diagnosis from Chapter 1 and 2, the comparative analysis of both systems of interrelations and narratives on urban development from Chapter 3 and these historical path-dependencies that the last Chapter of this thesis wishes to investigate.

Chapter 5 (From the relational infrastructure of private actors to the economic governance of cities)

« At first the cities were compulsory associations encumbered by liturgical obligations to the king, different from those of the villages. In numerous cities founded by the king and manorial lords an equality of rights and limited autonomy based on special privileges prevailed for resident burghers accoutred with landed property. The first private guilds were recognized through royal privileges and accepted as guarantees of financial responsibility. Eventually, the development was completed, with endowment of the city itself with the right to form a corporation ».

Max Weber, *The City*, p.135

This last Chapter carries on the analysis from the previous one for the contemporary timeframe of the thesis. Our long-term historical narration highlighted various trajectories regarding State consolidations and in mirror the political and economic autonomy of the capital city. Chapter 4 ended by setting out the hypothesis that these different patterns of long-term centralization materialized in the urban and relational structure of the two capitals mirrored in the respective unequal urban “embeddedness” of big business leaders in the Industrial Revolution onwards and especially throughout the 20th century. This concept of “embeddedness”, first set out by Karl Polanyi (Polanyi, 1944) and developed by Mark Granovetter (Granovetter, 1985), is based on the idea that an economy is immersed in social relations, meaning that it should not be considered as a separate and autonomous sphere. Hence that any economy can be analysed through what economic sociologists refer to as its “social practices” or its “social structure” (Granovetter, 1985, 2005). Following the hypothesis raised in the end of Chapter 4, I here investigate the “urban embeddedness” of big business leaders in Paris and London, namely if and how their formal and informal interrelations as well as relationships with public authorities are inscribed in the geographical bounds of the metropolitan region.

Indeed as set out by numerous works in Economic Sociology this social structure affects economic development (Granovetter, 2005). The role of networks in times of economic change has been proven very important, traditionally through analyses on specific industries (Biggart & Guillen, 1999; Locke, 1995; Putnam, 1993; Saxenian, 1994). In the late 2000s analyses at metropolitan scale were carried out, such as Sean Safford’s comparative essay on Youngstown and Allendown (Safford, 2009). In this analysis of two metropolitan regions of the Rust Belt in

Ohio with unequal transitions from Fordism to the Third Industrial Revolution – from decaying manufacturing industries to new sectors from the new economy – he asserts that more connected networks between business leaders in Allentown favoured shared visions and strategies for the whole region and therefore a higher economic plasticity in such period of economic change. This is quite consistent with the analysis by Michael Storper and his co-authors on San Francisco and Los Angeles in which they highlight a more dense and integrated “relational infrastructure” of San Francisco as opposed to Los Angeles (Makarem, 2015; Storper et al., 2015). Generally speaking the evolving capacity of organizations as well as the general capacity of a metropolitan area in a given context of favoring the rise of new « organisational fields » - namely new types of organizations, practices and agents – were widely analysed during the last ten years (Padgett & Powell, 2012).

Just like Development Theory at national scale (Acemoglu & Robinson, 2013; Robinson, Acemoglu, & Johnson, 2005), this raises the issue of the general role of institutions in regional development, as an additional perspective to the understanding of forces affecting cities. Institutions can « *refer to many things, including the formal rules (such as contributions, laws and governments) that shape economies, informal routines (such as rules of thumbs and conventional ways of doing things), and the principal public and private organizations that bring people together to carry out collective action in an economy* » (Storper et al., 2015, p. 24). The literature on the role of the social structure of business leaders in regional development, as well as the two narratives of urban development from Chapter 3 and the path-dependencies from Chapter 4, lead us to set out a comparative contemporary analysis on big business leaders in Paris and London. This last Chapter investigates the way in which these business elites more or less and/or differently interact with public institutions in each metropolitan region, eventually leading us to stress the role of “economic governance” in metropolitan dynamics.

Since the focus here is megacities and capital cities of centralized countries, that are largely affected by national regulations, political devolutions, development policies, infrastructure projects and narratives on development, the analysis is centred on big businesses and their leaders. Indeed the simple possibility of structuring strong interests and especially interacting with political institutions and figures – whether directly or indirectly through business associations, and whether formally or informally - on such issues is necessarily limited to the most powerful business elites of each capital region – and in most cases of each country. Big business is at the heart of business history as a discipline, since the pioneer work by Alfred

Chandler (Chandler, 1962, 1977) and more recently collective works specifically meant to analyse its global role in the economic history of nations (Amatori, Chandler, & Hikino, 1997). Even though it was never based on a commonly shared definition (Cassis, 2013), it can nevertheless be characterized through an array of considerations as described by Youssef Cassis : « *Big business must thus be defined in absolute terms in order to clearly circumscribe the object of study and make international comparisons meaningful (...). The more so as big business should not be reduced to manufacturing industry. In the Chandlerian perspective, the “modern business enterprise” – synonymous with big business – is a large, diversified, and integrated industrial firm, even though its forerunners were the railroad companies. Yet big business is a wider concept. On the one hand it includes firms from both the tertiary (in particular banking, insurance, and public utilities companies) and the primary (especially extractive industries) sectors. On the other hand, it includes large-scale operations undertaken through vehicles other than integrated firms – various types of loosely or tightly kit, ad hoc or permanent business groups (including holding companies, zaibatsu, financial syndicates, cartels, and others) as well as independent financiers. In that respect, size, including the scale of financial transactions in certain undertakings, rather than organizational forms (level of integration and diversification, separation of ownership and control, managerial hierarchies) should be seen as the key element in defining big business, even though the latter have been its dominant characteristics* » (Cassis, 2013, pp. 173–174).

Therefore this last Chapter starts by carrying out a comparative analysis of the social structure of big business and their leaders in both countries, through a parallel description of their respective Fordist consolidation throughout the 20th century and a contemporary photography based on a comparison between the largest firms and board executives - CAC 40 and FTSE 40/100 (A). It then compares the main local and metropolitan business associations that allegedly represent these companies and business elites (B). It eventually depicts two very different systems of public-private interrelations in each metropolitan area and concludes to an unequal “economic governance” – thus theoretically defined – of both capital cities (C). It concludes by showing how this on the long-run affected their respective dynamics.

A - The social structure of big business in Paris and London

This first part consists in an analysis of the social structure of big business in Paris and London, both regarding the construction and evolution of big firms and the socioeconomic characteristics of the corresponding business elites. It first draws a parallel recent history of big business, their model of corporate governance and the socioeconomic profile of their board members through the existing literature (1). It then compares this statement to a contemporary photography of the forty largest French and British firms in terms of market capitalization and their board members (2), to show that the differences established throughout the 20th century still largely prevail today.

1) A parallel history of large firms and big business leaders from Industrial Revolution to Fordist consolidation

The unequal development of large firms throughout the 20th century in France and the United Kingdom

If the concept of big business is prominently a 20th – and also a 21st century – phenomenon, it is not absent from the economic landscape of the 19th century, and more specifically between 1830s and the 1880s. For better understanding the potential divergence between big business in France and Britain let us propose a general historical framework of the successive forms taken by business. In 1974 Alfred Chandler and Herman Daems described three successive models taken by organizations¹ throughout economic history: personal, entrepreneurial and managerial (Chandler & Daems, 1974) which are represented in successive schemes by Christopher Schmitz (Schmitz, 1993) in the Appendix (p.222-223). In the classic “personal” form of organization a single individual tends to perform most of the tasks, being strategic, functional (sales, accounting, marketing, distribution and transport) or operational (production and redistribution). The classical “individual” form of organization finds an almost perfect declination in the late 18th century unique industrial development in Britain, which has been highlighted by some specific figures of leadership, such as Richard Arkwright, who indeed used to perform numerous tasks when running their business.

¹ These models do not refer to any legal definitions or statuses of the organizations. They synthesize the empirical forms they tend to take in both different steps of their life cycles and different macroeconomic cycles in history.

While the firm grows the owner-manager tends to delegate more and more tasks to professionals and bring additional capital from external sources. Hence a first split between ownership and control. In this “entrepreneurial” organization the importance of both functional management and outside bodies – such as stock exchanges – increases. The extent and time frame to which these delegations occur vary from a country to another because of divergent macroeconomic cycles but also because of sociocultural, legal and institutional variations. The third step – the “managerial organization” - happens with the implementation of a complete divorce between control and ownership: strategic, functional and operational management is henceforth dealt with by professionals while ownership – equity – relates to investors with no role in the running of the business. As highlighted by Christopher Schmitz these managerial organizations also have various incarnations such as highly centralized and functionally departmentalized structures (U-form) or multidimensional ones (M-form) – the second one increasingly developing (Schmitz, 1993, pp. 37–46). The development of the second forms of organization, “entrepreneurial” and “managerial”, largely happened in the late 19th and especially 20th century onwards (Chandler & Daems, 1974). Yet these schemes, as Alfred Chandler himself argues (Chandler, 1990, p. 239), help us understand general trends but also had unequal materializations from a country to another in specific historical time frames. They thus need to be put in perspective with regards to specific sociocultural contexts. Each successive form, not necessarily totally replacing each other but rather developing as additional configurations given the new managerial and exchange possibilities provided by new technological breakthroughs, unequally and differently developed in France and Britain.

As documented in Chapter 4 the Industrial Revolution occurred with significantly earlier and higher proportions in Britain than in France, which in many respects showed more limited industrial development even in the first half of the twentieth century. The absence of clear “take-off” has been pointed out by most economic historians and the late urbanization of the country illustrates the more peripheral position that France had in the Industrial Revolution. In many respects the consolidation of big groups with a Taylorian spatial organization throughout the “Trente Glorieuses” described in Chapter 2, coinciding with voluntarist State-led policies of “aménagement du territoire”, could be seen as a late industrial catch-up of France driven by public infrastructure investments and State-ownership of some large firms. As largely documented in Chapter 4 the French State had a long-term tradition of involvement in the development of large firms, what Pierre Rosanvallon qualified as the “*propulsive modernizing*

State” [“L’Etat propulsive modernisateur”] that structures itself in the 19th century onwards (Rosanvallon, 1993).¹ As a response to large public orders for infrastructure, large firms first emerge in the form of concessions during the 18th century as a continuation of the views of Louis XIV, Colbert and Vauban (Barjot, 2016, p. 99), a movement that is strengthened under the constitutional monarchies and the Second Empire during along the first half of the 19th century.² Overall the French economy is characterized by early and persistent retail economy and a reluctance to industrial businesses. It long remained largely rural, with proto-industrial businesses organized around urban markets, and an overwhelming dominance of small firms, despite the development of some very large ones in the second half of the 20th century. France in the late 20th century is thus largely, as previously stated, dominated by some very large groups (the “champions nationaux”) that still structure its economy and in many respects its geography, with notably large banks, energy and utilities, construction and luxury industry. And a strikingly large gap between these big firms and the development of small- and medium-size businesses. These big businesses and specific industries have largely remained the same in France during the Third Industrial Revolution, despite internal evolutions such as the transformation to limited liability companies (LLC) and the globalization of their activities. A more detailed photography of these large firms is given in this part.

When it comes to the development of big business the case of Britain is a little more subtle. In the collective essay *Big Business and the Wealth of Nations*, coordinated by Alfred Chandler, Franco Amatori and Takashi Hiro (Amatori et al., 1997), Geoffrey Jones describes a long-term relative reluctance of Britain towards the development of big firms. This is also stressed in John Wilson’s *British Business History, 1720-1994*, especially until the First World War, a moment regarding which he describes the British economy as follows : « *While all the market-cum technological, financial and cultural factors operating in the USA and Germany*

¹ As described by Xavier Bezançon (Bezançon, 2004), the role of the French central government, whether Monarchic or Republican, in the rise of private large firms can in fact already be traced in the action of Henri IV and the construction of canals, the Poste aux lettres, the drawing of swamps, the pavement of Paris or the planning of the Ile Saint-Louis (Barjot, 2016, p. 98). It was continued by Sully, Richelieu and Colbert.

² More precisely, under Louis XVIII the construction of many bridges is carried out through the system of concessions, supported by the administration of the Ponts et Chaussées which launches in 1820 onwards the Plan Becquey for the construction of canals. Until the July Monarchy the first plans for implementing a railroad network are accelerated, and during the Second Empire voluntarist State policies are carried out, beyond the sole Haussmann example for Paris, for the development of urban utilities such as water and gaz networks (Barjot, 2016, p. 99).

encouraged the rise of big business and corporate capitalism, the environment in Britain was much more conducive to an individualistic and atomistic approach » (Wilson, 1995, p. 131). In the classic view of Alfred Chandler and other business historians « *the United States raced ahead of Britain as the world's largest economy in the late nineteenth century because it created large industrial corporations which separated ownership from control, created managerial hierarchies and eventually the M-form, and undertook the necessary investments in the new capital-intensive investments of the second industrial revolution such as machinery and chemicals. The British, in contrast, remained committed to family-ownership and management, which preferred short-term income to long-term growth in assets, and had a bias for small-scale operations which contributed to failures to invest and modernize* » (G. Jones, 2015, p. 3). As Geoffrey Jones asserts, the causal analysis between managerial forms and economic performance has since then been widely questioned (G. Jones, 2015). Leslie Hannah has for instance shown that large firms developing in the United States at that time largely relied on plutocratic family-owners. British smaller firms were on the contrary way ahead regarding the divorce of shareholding owners and management controllers (Hannah, 2007), and this also for public companies as compared to any other countries including the United States (Foreman-Peck & Hannah, 2012).

Beyond this very interesting causal debate of economic history, it remains descriptively true that Britain on the long-run, as compared to France, remained more reluctant to the development of very large firms consolidated nationwide. Of course the Fordist context in the 20th century also led to merger waves and this until the 1960s (G. Jones, 2015, p. 4), despite a slight decrease of this trend in 1930s and the 1940s (Wilson, 1995, p. 175). Just like what happened elsewhere during the Post-War period, large manufacturing firms developed in Britain until the 1970s. And Geoffrey Jones to assert that « *although 1970s saw a period of structural dislocation, as major industries such as automobile manufacturing experienced major crises, subsequently there was major renaissance of British business and the British economy, based fundamentally on an embrace of globalization and strong shift from manufacturing to higher value-added services* (Owen, 2009). *It was only during and after the global financial crisis beginning in 2008, which adversely affected an economy which was extremely exposed to global financial flows, that some downsides of this shift were observed* » (G. Jones, 2015, p. 5).

Overall the British economy of course also still shelters big business. But relatively to France where long-term State-driven systems led to the development of some very large firms in specific sectors mentioned further on, such developments have on the long-run been more limited in Britain, which was marked by a stronger shift to financial and business services. All this reflects in the way business elites and corporate governance are produced and managed in each country and, subsequently, each capital city.

The consolidation of business elites and corporate governance in France and the UK

In mirror of the compared macro-historical view on big business in our two countries, this part presents comparative characteristics of business elites and corporate governance in France and Britain. Before providing a contemporary photography of the French and British largest firms in terms of market capitalizations and of their board members, this part presents evidence for an earlier period of our time frame, namely the late 1990s. It is largely based on the remarkable 2006 essay by Mairi MacLean, Charles Harvey and Jon Press: *Business Elites and Corporate Governance in France and the UK*, which focuses on top 100 companies in each country (Maclean, Harvey, & Press, 2006). Privatization waves of the 1980s and 1990s, that occurred in both France and Britain, played a critical role in the compared evolution of corporate governance and ownership of large firms. In the UK privatization not only applied to companies that more intuitively belonged to the private and commercial sector but also and more controversially to public utilities – water, gas, electricity, railways and telecommunications for instance. In France, despite a wave of privatization such sectors remain fiercely protected as compared to other European countries.

This reflects first in the structure of ownership of top 100 companies in France and the United Kingdom in 1998. The table (see Appendix p.224) exhibits the higher proportion of concentrated shareholding in public companies in France (42 companies out of 64) as compared to the United Kingdom (95 public companies with dispersed shareholding and 5 with concentrated shareholding).¹ Moreover, whereas there is no company within this top 100 with dominant family shareholding and dominant State shareholding in the UK, there were still 15

¹ « A company with a dispersed shareholding is defined as no single shareholder or shareholder group holding 20% or more of equity. A company with a concentrated shareholding is defined by a single shareholder or shareholder group holding 20% or more of equity. A dominant family or state holding is 20% or more of equity » (Maclean et al., 2006, p. 67).

of each in France in 1998, therein illustrating the persistence of State and family ownership – which still prevails today. As noted by Mairi Maclean and her co-authors, « *Britain differs further from France as one of the two countries (together with Switzerland) where stock market capitalization exceeds annual GDP* » (Maclean et al., 2006, p. 67). Moreover « *the legal forms of company are also more varied in France. Whereas 99 of the top 100 British companies in 1998 were public limited companies, with one mutual company being the exception that confirms the rule, 83 of the 100 top French companies were sociétés anonymes, seven were entreprises publiques, four were cooperatives, three were sociétés en commandite par actions, two Groupements d’Intérêt Economique and one company in Association (loi 1901)* » (Maclean et al., 2006, pp. 67–68).

This persistence of family-ownership, State-ownership and overall more concentrated shareholding in France mirrors in board structures and compositions of these top 100 companies in 1998 and 2003 (see Appendix p.224). When it comes to board structures France exhibits a striking specificity at European level. Since 1966 French companies can indeed choose between two systems : a single board (conseil d’administration), which supposedly resembles the British board of directors (unitary main board), or a two-tier board (conseil de surveillance and directoire), which is meant to be closer to the German model of Vorstand/Aufsichtsrat (Maclean et al., 2006, p. 76). Yet the French unitary version is very different from its UK equivalent since “*members of the conseil d’administration are all non-executives with the exception of the PDG, who serves as both the president of the conseil and as the most senior executive. The PDG, who must own a substantial number of shares in the company, is thus an extremely powerful figure. The two-tier system, on the other hand, grants full executive authority to a management board (le directoire) but this is monitored by the supervisory board (le conseil de surveillance). Members of the supervisory board are shareholders appointed at the shareholders’ general meeting, and they also appoint the management board and its president. The president of the management board – who is not obliged to own shares in the company – is thus accorded a lower profile than the PDG*” (Maclean et al., 2006, pp. 76–77). In practice the French unitary system has much more concentrated power than the UK unitary board in the person of the PDG. This reflects the French long-term tradition of centralization of power in both individuals and institutions largely described so far. As seen in the Appendix (p.224) the large majority of French companies in the late 1990s and early 2000s operate under the unitary system, allowing

a very strong and concentrated leadership.¹ This system still largely prevails today, despite a wave of corporate scandals that led some French business leaders to slightly share strategic decision-making with a small group of top company executive: a small executive board with a limited number of figures around the PDG such as a chief financial officer (CFO) or for instance a chief executive vice president. Conversely, in the UK, the unitary board of directors has remained largely untouched for many years and little reflections and attempts for alternative forms are to be stressed.

These difference in the structure of ownership and board structures in top 100 firms in both countries are concomitant with noticeable differences in the socioeconomic profile of their business elites. The compared educational profile and social origins of business elites of top 100 companies in France and the United Kingdom in 1998 by Mairi Maclean and her co-authors are in this respect a very precious insight to be put in perspective with additional work. First of all their compared analysis on the social origins of these elites (see Appendix p.225, with the table that explains the classification) reveals that in both cases the majority of them comes from upper and upper-middle classes, but that this trend is even higher in the French case : 77% (43% from upper classes and 34% from upper-middle classes) against 64% in the UK (35% and 29%). The authors assert that a *“considerable upward social mobility from the lower-middle class, but relatively few individuals in the top 100 business leaders in either country came from the lower class, which constitutes the largest segment of society. The table suggests that upward mobility through a career in business may have been more frequent in the UK than in France, but the observed differences between the two distributions are not statistically significant. This indicates that the similarities between France and the UK with respect to the reproductive capacity of elites are stronger than any differences that might exist. In both countries, those*

¹ The larger size of directorial teams of top 100 French firms with a higher number of non-executive directors (12 for 6 executive directors on average, against 6 of both in the British case) cannot be interpreted as higher transparency and independence on behalf of the leadership of French firms (see Appendix p.225). As Mairi Maclean and her co-authors asserts, *« French non executive directors cannot be classified as « independent » to the same degree as their British counterparts, since they often have a personal stake in the company : it is mandatory for large corporate stakeholders, known as actionnaire de référence, to provide a board member. Traditionally they have accounted for at least two-thirds of the board (which range in size from three to 24 members). Our research has revealed the average size of the directorial team at France’s top 100 companies to be around 18, including 6 executives and 12 non-executives (...). There is by far more variation amongst top French companies than amongst British ones (with a standard deviation of 6.03 for French boards and 3.25 for British boards). While the size of the former can be excessive (...) the latter display greater isomorphism, normally including around 12 members, 6 of whom are normally executives and six non-executives »* (Maclean et al., 2006, p. 84).

raised in upper-and upper-middle-class families are far more likely to accumulate, through every-day experience and education, the cultural capital needed to succeed at the highest levels” (Maclean et al., 2006, p. 91).

In both cases education plays a central role in the selection of business elites as well as public figures. As already mentioned and widely described in numerous historical and sociological work (Bourdieu, 1989; Daumas, 2012; P. François & Berkouk, 2018; Joly, 2007, 2012; Lévy-Leboyer, 1979) the French educational system is long and still based on a highly elitist view on the production of its elites. If the Ecole Nationale d’Administration (ENA) established 1945 regularly concentrates the criticisms made to the system of *grandes écoles* and *grands corps*, it is way more anchored in French history and not especially linked to a dedicated regime. The creation of the Ecole Polytechnique in 1794 – known as “X” and destined to train top-level captains of industries - and the Ecole Normale Supérieure (ENS) in 1795 – then considered the most prestigious path to high intelligentsia - were carried out in revolutionary times for providing the regime with trade administrators and teachers. However twelve other *grandes écoles*, such as the Ecole des Ponts et Chaussées created in 1747, had already been founded under the Old Regime, while the Ecole Centrale (1829) was created under constitutional monarchy but clearly inspired from the Napoleonic system. As for the ENA it was created later on after World War II as a response to the discrediting of the traditional elite system that was then considered highly responsible for the 1940 defeat. Despite the fact that it was meant to break the dominance of upper-classes amongst elites, it has largely pursued the reproduction of elites by recruiting its students amongst the wealthiest classes (Bourdieu, 1989).¹ Moreover a career in some of these *grandes écoles* then provides access to a *grand corps* such as the Inspection des Finances, the Cour des Comptes, the Conseil d’Etat, the Corps des Mines or the Corps des Ponts et Chaussées, which then work as a form of *esprit de caste* or an extended family, which Pierre Bourdieu has widely analysed. He more broadly explored the way it is then cemented through friendship and marriage, leading to a form of oligarchy and in the end “State nobility” [“noblesse d’Etat”] (Bourdieu, 1989). In this respect, despite ongoing

¹ To these main schools can of course be added leading business schools such as the Ecoles des Hautes Etudes Commerciales (HEC), the Ecole Supérieure des Sciences Economiques et Commerciales (ESSEC), the Ecole Supérieure de Commerces de Paris (ESCP) or the European Institute of Business Administration (INSEAD). As documented by Pierre Bourdieu (1989) the other provincial Ecole Supérieure de Commerce (ESC) and management schools offer positions to those unable to access the prestigious and academically selective *grandes écoles* but that refuse the alternative of going to French universities, and who then access middle-management positions in companies.

debates, numerous other works agree on the specificity of the French elitism system that rely on the existence of a State elitism with sometimes close intricacy with big business elites (Joly, 2007, 2012; Lévy-Leboyer, 1979).

Access to these *grandes écoles* and *grands corps* is made through the system of *classes préparatoires* that reinforces the prominence of some prestigious French *lycées* – these two to three years of preparing the entry to the *grandes écoles* occur and are managed by the *lycées* – and maintains as a reverse side of the coin a right to entry to the universities for all those coming out from high schools with a *baccalauréat*, and a status that still today clearly negatively impacts their development. The table available in the Appendix (p.226) presents the schools and higher education institutions most frequently attended by members of the French top business elites, as documented by Mairi Maclean and her co-authors. Applying to the year 1998 it provides “*compelling evidence of how little things have changed in France over the years. The pathways to the top in whatever chosen field could not be more clearly marked for the children of upper- and upper-middle-class families. A singularly French phenomenon is that children of the upper- and upper-middle classes, no matter where they are born and raised, are clustered together as young adults in the top lycées, particularly in and around Paris: the top ten most frequently attended schools alone accounting for 35 per cent of known school attendances of the directors of top 100 French companies in 1998. The predominantly upper- and upper-middle-class families, who have financial means to get their children into these schools, qualifying for admission by ownership of a local residence in sought-after areas, make educational choices with reference to tried and tested institutional status pathways. The top lycées are meticulous in preparing candidates for entry to a grande école like Polytechnique. Just four Parisians – grandes écoles – Polytechnique, IEP Sciences-Po, ENA and HEC – account for a remarkable 39 per cent of the 1,357 known education attendances of the French business elite of 1998*” (Maclean et al., 2006, p. 100).

The British system of course also relies on education for producing its business (and political) elites, with a similar prominent position of very specific prestigious institutions. In their classical 1980 book *Origins and Destinations: Family, Class and Education in Modern Britain*, A.H. Halsey, A.F. Heath and J.M. Bridge analyze it and conclude that the UK education system provides good opportunities to a minority of children from lower classes, from an individual point of view, but overall largely benefit to upper- and upper-middle-class families (Halsey, Heath, & Ridge, 1980). Other historical studies have widely documented the

establishment of British industrial elites in the late 19th century onwards and until the 1970s (Cassis, 1994; Jeremy, 1984; Lescent-Giles, 1998, 2006; Rubinstein, 1981, 1987). Mairi Maclean and her co-authors provide evidence (Appendix p.226) that *“most members of the UK business elite of 1998 grew up within a highly stratified system of secondary education with three main tiers: a narrow top tier of elite “public” boarding schools; a middle tier composed of grammar schools and lesser fee-paying “independent” schools (boarding, day and mixed); and a broad bottom tier of secondary modern schools”* (Maclean et al., 2006, p. 104). As seen in the Appendix (p.227) the top 10 most attended schools by the business elites are all independent fee-paying schools, and the first four are the great public schools of Eton College, Winchester College, Harrow School and Malborough College. As for Universities there is a very high concentrated pattern of attendance in Oxford and Cambridge. Whether for schools or Universities the degree of concentration in the late 1990s has slightly decreased since previous comprehensive studies (Halsey et al., 1980; Wakeford & Wakeford, 1974; Whitley, 1974) : *“these studies, conducted in the early 1970s, are now rather dated, but our own study again confirms the continuing pre-eminence of Oxford and Cambridge, while nevertheless underscoring the fact that this is less pronounced than previously, accounting for 29.4 per cent of higher education institutions most frequently attended by British directors of 1998”* (Maclean et al., 2006, p. 107). And the authors later on to continue : *“For the generation in with which we are concerned, attending Oxford or Cambridge vested the individual with significant symbolic capital, irrespective of his or her chosen subject. It formed a natural entrée into the corridors of power of public- and private-sector institutions. However, other “legitimate” educational options were available, and while the likes of Imperial College, UCL, KCL, the London School of Economics, Sheffield, Manchester, Durham, Birmingham, Bristol, St Andrews, Glasgow or Edimburgh may not have enjoyed quite the same level of kudos as the Oxbridge colleges, attending one of them still served as a significant marker of distinction”* (Maclean et al., 2006, p. 110).

Overall the differences between the French and British education systems regarding the production of business elites is not so much the difference in the degree of concentration, even though in the case of Paris the *lycées* and *grande écoles* mentioned are overwhelmingly concentrated in the heart of the Paris region, but more the nature of the elitism that is produced. The table on the career profile of the top 100 directors in France the UK in 1998 (Appendix p.228) exhibits the very specificity of the French system of *grandes écoles* and *grands corps*

previously described, which relies on the way in which graduates and non-graduates enter the business world. In France those who gained access to the most prestigious educational institutions start their business careers through three distinctive groups. The first one (the 49 people classified as “public administration to corporate”) first attended a career into government services, often after graduating from ENA and accessing the *grands corps* such as the Inspection Générales des Finances, but also as technical specialists and engineers.¹ The second group is composed of elites that directly entered the corporate world (the 41 classified as “corporate”), either members of a founding family with still control and/or residual ownership of the company² or professional career managers.³ The third minor group gathers those who have founded a company or joined it when it was very small.⁴ Conversely the patterns for entering the business world in the United Kingdom appear as very different. *“The pathways taken by 84 if the UK top 100 directors was to embark on a business career straight after leaving school or university. There is little evidence of continued family involvement in top 100 UK companies with the odd exception such as the food and family retailer Morrisons. Andrew Buxton, [then] chairman of Barclays, may have descended from that famous banking family, but his family connections were not his major source of power. Indeed, the UK has evolved as the corporate economy par excellence, in which ownership and control are profoundly separated and directors are appointed as agents for a plethora of shareholders”* (Maclean et al., 2006, p. 129).

Eventually this is consistent with the analysis of the career foundations of the top 100 directors in France and the UK in 1998 (see Appendix p.228). If around a third of them in each country began their career in “General, Operations and Project Management”, then we find in each country a significant share of directors who started in “Engineering, Science and Technical”, a pattern that is significantly higher in the French case (32 out of 100, against 19 in the British case). The most significant difference is the importance of “State Policy and

¹ Mairi Maclean and her co-authors mention Jean-Louis Beffa (then CEO of Siant-Gobain), Thierry Desmarest (then CEO of Total) or Jean-Martin Folz (then CEO of Peugeot-Citroën).

² Nine out of the 100 analyzed owe their position to family, including Michel-Edouard Leclerc, François Michelin, Pierre Peugeot, Martin Bouygues, Patrick Ricard and Serge Dassault.

³ They quote the example of Claude Bébéar, chairman of AXA or Lindsay Owen-Jones, the British CEO of L’Oréal.

⁴ Gérard Mulliez, who created the retailer Auchan in 1961, Pierre Bellon (the founder of Sodexo in 1966) or François Pinault (the creator in 1963 of what was to become the then Pinault-Printemps-Redoute, today known as Kering).

Administration” in the career foundations of French business elites (26 out of 100, against 2 in the British case), while conversely the United Kingdom display a significant proportion of its business elites that based their career on foundations in “Finance and Accounting” (27 out of 100, against 9 in France). As stated in the next sub-part, this illustrates a very different place and type of banks within each economy. “*Finance directors, of course, also enjoy high status in France, but their training is very different from the UK. All nine of the top 100 directors with a financial background were highly-educated graduates, six attended ENA and three top business schools, and four styled themselves Inspecteur des Finances (...). This profound difference in institutional traditions could not be more apparent, and is confirmed by the fact that 26 other members of the French super-elite founded their careers in public administration, as policy-oriented generalists rather than financial or engineering specialists*” (Maclean et al., 2006, p. 133). These different patterns are of course mirrored in the sectoral structure of big business in each country, with a then relatively higher importance of manufacturing activities in France and the persistent direct involvement of the State in the economy, as well stated by the table on the equity participation of the French government in top 100 companies in 1998 (Appendix p.229).

The more specialized nature of the British and London economy in financial and business services, described in Chapter 2, less requires an in-depth understanding of the public sphere, while in France the different economic basis favours those with backgrounds in engineering and public administration. At no point do we infer any causal interpretation between the economic situation of each country, their systems of corporate governance and their education system producing their business elites. The remarkable work by Mairi Maclean and her co-authors simply allows us to draw a comparison between each system. If both are based in different ways on elitist educational structures, the French system notably differ with the intricacy between State and business elites that are largely produced by the *grandes écoles* and notably the system of *grands corps*, with very different consequences in public-private networks in each capital region. This first part now provides a contemporary photography of big businesses and their board executives in both countries, in order to assess the persistence of the schemes described by Mairi Maclean and her co-authors as well as previous works.

2) A contemporary photography of big business and their board executives in France and the UK

The second sub-part of this whole first part on the social structure of big business leaders in both countries is just a contemporary photography. Most contextual features on each country were in this respect just presented above. I have chosen to assess them through a comparison between the largest French and British firms in terms of market capitalization and of their board executives. The analysis on firms was carried out thanks to the Standard and Poor's Database named Capital IQ, which provides financial and economic information on the largest market capitalizations in the world.¹ As for board executives I have used the BoardEx database which is one of the most comprehensive source of information on the socioeconomic profile of board members of firms worldwide, and especially the largest ones.² Information from these two sources were crossed and applied to the 40 largest French firms in terms of market capitalization (the "Cotation Assistée en Continue" or "CAC 40"), as they were in April 2019. The main British equivalent of CAC 40 is the Financial Times Stock Exchange (or FTSE 100, sometimes named "Footsie"), an index that applies to the first 100 market capitalizations. For more direct comparisons between the two cases I also isolated the largest 40 market capitalizations within the FTSE 100. The whole results are available in the Appendix (p.230-241)³ and synthetic tables given below thus compare CAC 40 to both FTSE 40 and FTSE 100.

A more consolidated industry nomenclature, close to what was used in Chapter 2 (see the detailed table in the Appendix p.235), allow a comparison between the number of firms and the respective market capitalization by industry (see the two tables below). In its largest 40 firms France still shelters three "construction" companies (Bouygues, Saint-Gobain and Vinci) against two in Britain (CRH and Ferguson), but with respectively way higher market capitalization (86,647 billion dollars against 41,715 billion dollars). The CAC 40 also houses more firms in "distribution, transport, accommodation and food" than the FTSE 40 (13 against 10) with a higher general market capitalization (657,520 billion dollars against 538,653). The largest examples in France are L'Oréal and LVMH and the British one Unilever, Diageo or

¹ More detailed information on the database can be found in the following [link](#).

² More detailed information on the database can be found in the following [link](#).

³ Given the large number of entries from the BoardEx database, I only provide an extract of names from the boards of two companies of the CAC 40 (Appendix p.233) and the FTSE 40/100 (p.234).

British American Tobacco. Both countries exhibit eight firms in “Production” out of the largest 40 ones, with a significantly higher market capitalization in the British case (762,015 billion dollars against 343,725 billion dollars in the French case), with the notable examples of the Royal Dutch Shell, BP and BHP Group (the only comparable example in terms market capitalization in France being Total). Eventually, when it comes to “professional, scientific and technical activities ; administrative and support services”, both are quite comparable with 7 companies in the CAC 40 and 6 in the FTSE 40, as well as proportionally rather similar figures in terms of market capitalization (343,418 billion dollars in France against 281,108 billion dollars in the UK). The largest examples are respectively Capgemini, Airbus and Sanofi on the one hand, and GlaxoSmithKline, Rolls Royce Holdings and BAE Systems on the other.

Number of firms by industry (CAC 40 and FTSE 40/100)

Consolidated nomenclature	CAC 40		FTSE 40		FTSE 100	
	Count	Share	Count	Share	Count	Share
Construction	3	8%	2	5%	6	6%
Distribution, transport ; accomodation and food	13	33%	10	25%	26	26%
Financial and insurance activities	4	10%	9	23%	19	19%
Information and Communication	3	8%	4	10%	9	9%
Production	8	20%	8	20%	18	18%
Professional, scientific and technical activities ; Administrative and support services	7	18%	6	15%	17	17%
Public Administration, Education and Health	1	3%	1	3%	2	2%
Real estate activities	1	3%	0	0%	3	3%
Total	40	100%	40	100%	100	100%

Market Capitalization by industry (CAC 40 and FTSE 40/100) in \$USDmm (average 2019 exchange rate)

Consolidated nomenclature	CAC 40		FTSE 40		FTSE 100	
	Count	Share	Count	Share	Count	Share
Construction	86 647	5%	41 715	2%	74 647	3%
Distribution, transport ; accomodation and food	657 520	37%	538 853	24%	665 798	24%
Financial and insurance activities	185 882	10%	448 885	20%	533 336	20%
Information and Communication	90 507	5%	134 699	6%	173 721	6%
Production	343 725	19%	762 015	34%	848 966	31%
Professional, scientific and technical activities ; Administrative and support services	343 418	19%	281 108	13%	377 779	14%
Public Administration, Education and Health	51 972	3%	16 677	1%	24 167	1%
Real estate activities	22 363	1%	0	0%	26 035	1%
Total	1 782 034	100%	2 223 951	100%	2 724 449	100%

Eventually « financial and insurance activities » not surprisingly relate to a major specificity of the British system of large firms, which largely reflects in the London economy. Nine of the forty largest British firms belong to this sector (against four in the French case), which represents 20% of the total capitalizations (448,885 billion dollars) against 10% for the

CAC 40 (185,882 billion dollars). The largest British banks in this respect are HSBC Holdings, Lloyds Banking Group, Prudential, the Royal Bank of Scotland and Barclays. In France the only examples with rather comparable market capitalizations are BNP Paribas and AXA, the other two – the Crédit Agricole and the Société Générale - showing smallest figures. Let us also notice that this higher share in number of firms and in market capitalization still prevails when considering the FTSE 100. As already stated in Chapter 2 and in the historical perspective from Chapter 4, Paris was never a prominent global financial centre,¹ as were successively during the last three centuries Amsterdam in the 18th century, London in the 19th century and the early 20th century, and New-York since then (Cassis, 2006, 2018). This is not contradictory with the presence of few very large banks in France which were step by step grew nationwide throughout the 20th century, accompanying the centralization and especially large infrastructure project and State-led planning policies. As a result the four largest French banks mentioned above on average employ 134,000 people, against 67,000 for the nine largest British banks and 98,000 when only considering the four largest market capitalizations. This shows that the presence of very large French banks shelter different financial activities, with in the case of London more skilled and value-added financial and insurance expertise, which operate much more complex financial flows. In the case of French one can somehow speak of more « routine » financing of the economy.

The compared location of CAC 40 and FTSE 40/100 companies

Location	CAC 40		FTSE 40		FTSE 100	
	Count	Share	Count	Share	Count	Share
Equivalent Paris and London cores	32	80%	24	60%	47	47%
Rest of Equivalent Paris / London EUR	2	5%	5	13%	16	16%
Rest of Greater South East / Bassin parisien	0	0%	2	5%	6	6%
Rest of Metropolitan France / United Kingdom	2	5%	3	8%	17	17%
Outside Metropolitan France / United Kingdom	4	10%	6	15%	14	14%
Total	40	100%	40	100,0%	100	100%

The geographical analysis of these firms' headquarters, carried out through the matching tables available in the Appendix (p.236-237), confirm the spatial and economic analyses from the first two Chapters. Thirty-two of the forty largest French firms (80%) are located in the

¹ In the early 20th century Paris was nevertheless an important European financial centre, a « *brilliant second* » [« *brillant second* »] as qualified by Alain Plessis, undoubtedly behind London but back then ahead of Berlin, New-York, or Brussels and Amsterdam (Cassis, 2010). It then becomes more and more peripheral throughout the 20th century, until today.

Paris core, and especially, looking at more detailed evidence, 19 in the sole City of Paris, and 27 when simply adding the adjoining communes of Courbevoie, Boulogne-Billancourt, Clichy, Issy-les-Moulineaux and Montrouge. Only two other companies are located in the rest of Ile-de-France (Atos and Dassault Systèmes). Conversely, in mirror of its more spread-out spatial scheme, 24 of the British largest firms (60%) are located in Greater London, but also 5 in the rest of the FUR (Compass Group, GlaxoSmithKline, Reckitt Benckiser Group, Tesco and Vodafone Group) and 2 in rest of the Greater South East (AstraZeneca in Cambridge and Carnival in Southampton).

Overall, as shown in the synthetic table below, the analysis of the forty largest firms in each country confirms the assessments made by previous studies for the 1970s and the late 1990s. The French system is still largely built on big groups (119,233 employees on average against 89,376 for the United Kingdom) but with a fewer total market capitalization (1,782 billion dollars against 2,224 billion dollars for the FTSE 40), epitomizing the more financialized nature of the British economy.

Synthetic table on board members in CAC 40 and FTSE 40/100

	CAC 40	FTSE 40	FTSE 100
Total Market Capitalization (\$USDmm, average 2019 exchange rate)	1 782 034	2 223 951	38 528
Average number of employees	119 233	89 376	48 599
Average number of people on the board	14,5	11,4	10,5
Average age of people on the board	58,5	59,8	58,6
Average share of foreign people on the board	35%	53%	42%
Average share of women on the board	42%	31%	30%
Average Years at Organization	8,5	8,9	8,8
Average Years on Board	5,9	6,3	6,2
Average Years in Current Role	4,7	4,9	4,8
% having other positions	73%	76%	76%
% being on current other Public Boards	45%	52%	52%
% being on Current Private Boards	61%	62%	62%
% being on current Other Boards	5%	7%	4%
% Other CAC 40 board	13%	9%	12%

Source: Board Ex and Standard and Poor's Database. Unfortunately the compared share of people in current other public, private and other boards cannot be analyzed because the information is unequally filled in both cases: 100% (512 over 512 members) in the CAC 40 case, but only 65,4% for FTSE 40 (261 over 399 people) and 58,5% for FTSE 100 (550 over 940)

As for their board members some significant elements can be stressed. The French boards are on average larger than their British counterparts (14.5 people against 11.4 people for FTSE 40, for a respective total number of people of 512 against 399) and the average age of people is very similar (respectively 58.5 and 59.8 years old). So are their average years at organizations (8.5 and 8.9 years), on Board (5.9 and 6.3 years) and in their Current Role (4.7 and 4.9 years). Two main differences appear: the share of women in these boards, which is higher in the French case (42.4% against 31.3% for the FTSE 40), and the share of foreign people which is conversely significantly higher in Britain (53% against 35% in French boards). For the share of women Mairi Maclean and her co-authors had already noticed in their comparison on the late 1990s that *“in France a significantly higher proportion of women were in executive roles than in the UK, and the French women were younger than their UK counterparts, with a mean age of 43 compared to a mean age of 46. This difference reflects, on the one hand, an increasing supply of female graduates from elite French business schools ; and, on the other hand, the determined effort made by a minority of French companies to promote more women”*. And they later on add that *“one of the most striking differences between female directors in France and in the UK emerges from a study of career foundations. Nowhere is the enduring importance of national cultural and institutional peculiarities more clearly revealed. (...) 16 of the French women directors [29%] owe their positions on the board to family ownership as representatives of family shareholding companies. They are in effect non-executive directors engaged in wealth management, and are far from being independent directors”* (Maclean et al., 2006, p. 145). Since the model of family-ownership of French largest firms still largely exists today, the higher share of women within board executives of CAC 40 should therefore not be overinterpreted as a more open nature of these boards.

The dominant nationalities in the boards of CAC 40 and FTSE 40/100

	CAC 40		FTSE 40		FTSE 100	
Region	Count	Share	Count	Share	Count	Share
Europe	441	86%	253	63%	689	73%
North America	36	7%	97	24%	151	16%
Oceania	4	1%	21	5%	27	3%
Asia	16	3%	15	4%	25	3%
South America	6	1%	3	1%	23	2%
Africa	4	1%	10	3%	18	2%
Middle East	5	1%	0	0%	7	1%
Total	512	100%	399	100%	940	100%

The significantly higher proportion of foreign people within British boards calls for further comparisons. The table above, which synthesizes the more precise ones available in the Appendix (p.239-241), shows that CAC 40 board members are largely European (441 out of 512 members, 86%) and especially French (335, 65%). The other European nationalities are British (25, 5%), German (20, 4%), Italian (20, 4%) and Belgian (10, 2%), the rest being more marginal. Northern-Americans are essentially Americans (26, 5%) and to a lesser extent Canadian (10, 2%). British boards display a significantly higher proportion of extra-Europeans (37% against 14% for France). 188 of the 399 members of FTSE 40 boards (47%) are British and the other Europeans are predominantly Irish (11, 3%), Dutch (10, 3%), Spanish (9, 2%), German (8, 2%) and then French (7, 2%). Most of the Non-British people within these boards are American (87, 22%), Australian (19, 5%), Canadian (10, 3%) and to a lesser extent South-Africans (6, 2%). The table in the Appendix (p.238) provides the share of women and foreign people by industry, but the overall differences displayed are quite hard to interpret because of the different number of firms and of their market capitalization in each country. One can simply notice that financial and insurance activities, on these two criteria, appear with the least opened boards. Overall the British boards are undoubtedly more open to foreign people, which epitomizes the more financialized and globalized nature of the whole economy, with evident links to English-speaking countries, as opposed to the persistence of traditional industries and corporate models in the case of French big firms, in mirror of a partly remaining model of family-ownership and control.

A comprehensive network analysis and inquiry into the business elites of each country would require its own separate research. Nevertheless this snapshot largely confirms the existing comparative research on corporate governance and business elites of our two countries as applied to previous times. In particular the model of *grandes écoles* and *grands corps* which provides access to top-management positions in both public administration and some large corporate structures remains a striking French specificity. State-intervention and ownership in an economy largely built around consolidated big businesses nationwide but located in the very heart of the capital city, with a dominance of specific traditional engineering sectors (such as public utilities, infrastructure, pharmaceuticals or luxury industry, in mirror of a fewer development in high-skilled and high-skilled financial and business services), still largely characterize the French case all along the time frame. This reflects in a very different

embeddedness in each metropolitan regions, French business elites being largely produced *in* Paris but as French elites of the State and of the “champions nationaux”, which as suggested largely produces a rather national than metropolitan projection. Conversely in the London case, as largely analyzed in the previous Chapter, the importance of financial and insurance activities as the heart of the London economy, and the fewer existence of very large firms that would have had consolidated their productive processes at national level throughout the 20th century, produces a different embeddedness of big business elites. A more metropolitan than national embeddedness as I suggest. It is the idea of these different embeddednesses on behalf of big business leaders – somehow more horizontal in London and more vertical in Paris – that I now investigate further in the next part of this Chapter through the comparison of business associations.

B - Business Associations in Paris and London

After this general comparison of the structure and board members of the largest businesses in France and the United Kingdom, and the hypothesis on their different embeddedness in the two capital regions, this part describes and compares the main local and/or metropolitan business associations in both cities. The issue of collective action from business leaders, and more generally the role of various pressure groups within societies and its politics, have long been analysed in social sciences (Grant, 2001, 2014; Olson, 1965; Saurugger, 2014; Schmitter & Streeck, 1999; Streeck, Grote, Schneider, & Visser, 2006), whether in France (Courty, 2007, 2014; Grossman & Saurugger, 2004; Offerlé, 2009, 2012), in the United Kingdom (Grant, 1989; Greaves, 2005; Kimber & Richardson, 1974; Tilly, 1984), or even in a comparative perspective (Fraboulet & Vernus, 2012; Keating & Wilson, 2014). Beyond a literature review, this comparison is based on interviews (see Appendix p.4) and a census of their board members - their functions and if applicable their occupations. The idea is to assess the extent to which these business associations are connected or representative of big business. Given the focus on large firms for the reasons set out in the first part, the analysis does not concern business associations devoted to small- and medium-size firms, such as the Confederation des Petites et Moyennes Entreprises (CPME) in France or the Federation of Small Businesses (FSB) in the UK.

It is centred on three couples of structures, each representing – and/or claiming to represent – businesses including large firms at regional level, and apparently (but in fact only apparently) displaying similar statuses : the Chambre Régionale de Commerce et d’Industrie d’Ile-de-France (CRCI IdF) and the London Chamber of Commerce and Industry (1) ; the Mouvement des Entreprises de France of Paris and Greater Paris (MEDEF Paris / Grand Paris) and the Confederation of British Industry of London (CBI London) (2) ; and eventually Paris Ile-de-France Capitale Economique (PIDFCE), also known as Greater Paris Investment Agency (GPIA), and London First (3). This part is not an exhaustive description of each of these structures from both a historical and contemporary organizational point of view. Through comparative tables available in the Appendix, on both the organizations and their board members, it only aims at highlighting main differences between each of these couples. Other groups will also be mentioned in the end of this section such as the Canary Wharf Group, the London Economic Action Partnership (LEAP) and some small and private initiatives in Paris. As for the City Corporation of London, widely described in the previous Chapter, it is dealt with in the third section of this Chapter on the different and unequal institutionalization of public-private interrelations.

1) The « Chambers of Commerce and Industry » in Paris and London

This section starts with the historical form taken by local business associations: the Chambers of Commerce (CCI). In each case main differences between the French and British forms are presented, as well as the specificities of both Paris and London cases. Just like for the other business associations, each structure is presented and then directly compared to the other in organizational and behavioural terms. Comparative tables are available in the Appendix.

The French public form of CCIs and its late emergence in the capital region

The creation of the Chambers of Commerce and Industries (CCI) in France harks back to 1599 in Marseille, following the demand made by local merchants for the devolution of police and business regulation prerogatives, eventually granted by King Henry IV (Puaux, 2003). Until the end of the 17th century Chambers of Commerce emerge across France with the notable exception of Paris. Their most important characteristic is that they are public bodies (with a status of “établissement public”) endowed with the status of associated public body (“personne publique associée”). Their primary role is not only (and in many respects not so much) to represent business interests regarding local and/or national politics but to manage

some key-infrastructures with economic functions (ports, airports or exhibition and/or convention centres), as well as higher-education structures such as business schools. Unlike the MEDEF (at least in its early forms, as developed later on) they do not represent leaders but companies as a whole. In the 1960s onwards they developed additional services to companies such as providing economic information and facilitating administrative requirements, as well as other commercial services on executive education or fiscal and juridical expertise. They play a consultative role regarding public projects essentially when it comes to local planning and development, but it is historically and still today a minor activity as opposed to the management of some local and metropolitan infrastructure. French CCIs are management bodies rather than lobbying structures or local developers – they manage more than they invest. Indeed as further described in the case of Paris the French CCIs theoretically represent each and every firm registered in the *Registre du Commerce et des Sociétés* (RCS), that directly finances the Chamber through a dedicated tax: the *Taxe pour les Frais de Chambre* (TFC) which depends on its revenue. In other words the membership of French CCIs is not based on a choice made by companies.

Not surprisingly, given what was stressed in the previous Chapter, the creation of the Paris Chamber of Commerce and Industry (CCIP) was a late and difficult process (1803), because of the fear of creating a too powerful and influential body with unique access to central government institutions. As well described and documented in the remarkable essay by Claire Lemerrier, the early history of the CCIP is one of an influential but always very discrete power (Lemerrier, 2003). Its role was questioned throughout the 20th century between the emergence of business leader associations and especially State centralization as well as the consolidation of big firms nationwide (Puaux, 2003). The 1966 administrative reform leads to the enlargement of the CCIP which henceforth covers the whole core of the Paris FUR: the City of Paris plus the newly created Hauts-de-Seine, Seine-Saint-Denis and Val-de-Marne. Around this new CCIP on the *petite couronne*, before the 2010 reform, the Paris region contained three other CCIs: the one of Essonne (born in 2004 with the merging of the ones of Meaux and Melun), the CCI of Seine-et-Marne and one for the whole Western part of the region – Yvelines/Versailles/Val-d’Oise. Until 2010 the CCIP enjoyed a prominent position: economically because of the concentration of wealth creation on the central part of the metropolis and its links with the prominent French *grandes écoles*; politically as well as showed by the specific existence of an internal service dedicated to relations with the Parliament

(Assemblée Nationale and Sénat).¹ The CCI Yvelines/Versailles/Val-d'Oise was also quite resourceful since it covered some locations of high-value creation and strategic headquarters, but its action was more local and centered on services to firms. As for those of Essonne and Seine-et-Marne, they always showed mistrust regarding the CCIP and remained focused on the management of some of their main infrastructures (respectively Orly airport and part of the development of the Plateau de Saclay on the one hand, and the higher-education and research pole of Marne-la-Vallée and Disneyland Paris on the other).

These CCIs in the Paris region were gathered in 2010 in a single Regional Chamber of Commerce and Industry of Paris Ile-de-France (CRCI).² This bill on the reorganization of the French CCI network, which was applied in 2013 onwards, was the result of a tough political negotiation with the central government which initially aimed at splitting the CCIP into four different *departementales* ones (75, 92, 93 and 94).³ Eventually the CRCI was created with a specific status and six local CCIs at departemental scale became deconcentration scales for the new regional structure (CD de Paris, CD Hauts-de-Seine, CD Seine-Saint-Denis, CD Val-de-Marne, CD Yvelines and CD Val-d'Oise). The CCIs of Essonne and Val-de-Marne remained juridically autonomous but represented at the regional assembly of the CRCI. Overall this important reform of the CCIs of the Paris region entailed a slight decrease of the importance of the Essonne and Seine-et-Marne Chambers, with an increase of the total number of seats in the Assembly (60 to 98) but largely at the benefit of the CCIP (Grilliat, 2014, p. 54). Further information on the CCIP and the CRCI are given below, in direct comparison with the London Chamber of Commerce and Industry.

The British / London Chamber of Commerce and Industry: a private and bottom-up model based on voluntary membership

Despite a similar and ancient name, the British Chambers of Commerce and Industry differ fundamentally from the French ones. While the French CCIs are public bodies that

¹ This specificity is shared with the Assemblée des Chambres Françaises de Commerce et d'Industrie (APFCI), the national body that encompasses the whole French CCIs.

² This regional scale existed before but had no operational power on the four local CCIs, which kept their financial, political as well as managerial autonomy until 2010.

³ This negotiation largely happened outside official canals. This first will by the central government was confirmed and related to the author of this thesis by the then President of the CCIP Pierre-Antoine Gailly, who largely attributed it to personal rivalries. According to him it was only stopped thanks to personal connections to the then Secrétaire d'Etat Hervé Novelli on his behalf and some other local figures.

theoretically represent all business and are financed by a compulsory dedicated tax, the British CCI are private sector entities which have to raise their money from their own activities – membership mainly through fees and services to their members such as advisory and business services (Bennett, 1993, 1996, 2011).¹ Their history harks back to the first Liverpool chamber of 1774-96 and to the needs to structure business interests within trade and port British cities in the late 18th. Unlike French CCIs whose creation had to be granted by the monarchy for delegating the management of some infrastructure, they were originally developed purely locally in order to better coordinate business interests in a trans-industry approach. Just like in France, British CCIs – as well as Irish and American ones - were born in ports, because of the new needs generated by international trade and the Atlantic economy, even though in the case of Britain they also more largely developed in inland manufacturing centres such as Birmingham, Manchester or Leeds. As shown in the remarkable history of CCIs in Britain, Ireland and Revolutionary America by Robert Bennett, they were always based on voluntary membership (Bennett, 2011). Hence on the one hand a flexible organizational system but on the other more unstable financial resources. Overall the British CCIs were one of the early forms of local business associations in Britain that largely spread in a fragmented way. Because of these fundamentally different status no real coordination of the network of CCIs regionwide or nationwide, and thus no managerial harmonization between one another, could ever be achieved. This fragmentation is overall quite characteristic of British as well as American business associations (Bennett, 2000). Providing them with a public legal status has been a long-term political question in Britain (Bennett, 2011; Fallon & Brown, 2000; Grilliat, 2014).

Their activities are overall quite similar to their French counterparts: executive education, business subsidies, job creation and supply/demand coordination, and more marginally management of infrastructures – in the forms of contracts. While French CCIs are more centered on managing equipment or supporting higher-education bodies, British CCIs focuses on coordinating and representing local business interests and lobbying. Despite fewer resources than their French counterparts, they nevertheless always remained an important actor for the negotiation and implementation of local public policies, at least outside London where, as

¹ In this respect two different models co-exist in Europe. The French one inspired eleven countries in the 18th and 19th century onwards: Germany, Austria, Spain, Greece, Italy, Luxemburg, the Netherland, Slovakia, Slovenia and the Czech Republic. Conversely the British model was adopted by ten other States: Belgium, Cyprus, Denmark, Estonia, Finland, Hungary, Ireland, Latvia, Lituania, Malta, Poland, Portugal and Sweden (Piaux, 2003, pp. 52–53).

described further on, other important bodies also play an equivalent role. They were for instance a primary partner for the creation of the Regional Development Agencies (1997-2010) by the Blair and Brown administrations and then of the Local Enterprise Partnerships (from 2010 onwards) by the Cameron government. They also take part in carrying out various public-private partnerships supported by European funds.

The specificity of the British capital relates to the existence since 1881 of a London Chamber of Commerce and Industry (LCCI),¹ namely a CCI operating at regional / metropolitan scale (Greater London). Just like for Paris it was a late process because of the fear on behalf of the central government for creating a too powerful economic power in the British capital, which will eventually be granted because of the support of the City of London Corporation and its Lord-Mayor (S. Smith, 1982).² But there are many other local CCIs in London, one for each borough but also others at more local levels, and some Chambers can be members of other Chambers. The CCI of a given borough can also be a member of a subregional entity (like West London Business) and/or a directly regional one like LCCI, which can create both overlaps and a distinction between services and representation prerogatives between subregional Chambers and the regional one : « *There may be a division a functions between core chambers that differs for different purposes. For example local services may be most efficiently offered by one core chamber, but representation by another. This may lead to an overlapping (...). Another form of overlapping is that between Greater London as a chamber, with mostly high order functions and London-wide representation, and the local network with local services and local representation* » (Bennett, 1993, p. 99). Therefore not all local CCIs are member of the LCCI. Most of the local chambers are very small, with no employees and do not provide any technical services or information to their members – apart for some specific events or a newsletter. The London landscape of CCIs is thus very fragmented with constant overlapping (Bennett, 1993, 1996, 2011; Grilliat, 2014). As for the LCCI it benefits from important resources, with only 4,000 members (around 3% of London businesses), and

¹ It was named the London Chamber back then and became the London Chamber of Commerce and Industry in 1971 onwards.

² In his remarkable article on the history of the LCCI Steven Smith shows the role it played in defending the consolidation of colonial markets and the expansion of the British empire. The 1914 essay by Charles E. Musgrave provides a detailed view on the early years of the institution (1881-1914) (Musgrave, 1914).

therefore a possibility of carrying a political voice for business and an acknowledged legitimacy to do so – which conversely explains the weakness of more local ones.

Originally the LCCI was by far the largest CCI in Britain in terms of members and budget, because of the presence of many strategic companies located in the Square Mile. It reached 15,000 members during World War II. During the second half of the 20th century the weight of the LCCI kept decreasing, mostly because of the growing competition with other business associations. On the one hand the Confederation of Business Industry (CBI, see below) which growingly attracts industrial actors while the LCCI traditionally gathers businesses from retail, finance or insurance. On the other hand the newly created Federation of Small Business (FSB) which increasingly competes with the traditional forms of business associations (Jordan & Halpin, 2003), thanks to the emergence of a new middle-class and small entrepreneurs which, even though they form a complex group of interests rather hard to precisely define, increasingly structure their interests in the 1970s (King & Nugent, 1979).¹ During the 1990s onwards other forms of business associations emerge in the London landscape, such as London First (already mentioned in Chapter 3 and further analyze below), the Canary Wharf Group and the London Economic Action Partnership (both briefly described in the end of this part).

Despite the development of these various forms and structures of business representation, the LCCI keeps an important role in the 1990s onwards by taking part to the campaign for the recreation of a metropolitan authority for London (see Chapter 3) and making recommendations for the interaction between this future body and business in general – which leads to the creation of the Business Board gathering the LCCI, the FSB, CBI London and London First (see below). In the 1990s onwards the LCCI also widens its services to more largely target small and medium businesses and re-organized internally since then to better address the various needs of companies depending on their size and industries. This reflects in the development of partnerships with some local CCIs that then can benefit from the “LCCI” prestige. Despite the development of other types of business associations the LCCI today remains the largest British CCI in terms of financial resources.

¹ In many respects this socioeconomic evolution and its growing political influence in the 1970s played a role in the election of Margaret Thatcher in 1979, the daughter of a grocer.

The CCIP/CRCI and the LCCI: a synthetic comparison

Just like for the other business associations analysed, the synthetic table in the Appendix (p.242-243) provides further details on the CCIP (and the CRCI in 2010 onwards) and the LCCI in terms of juridical status, scale, prerogatives, number of members and employees, budget and funding, governance and internal organization or main actions. Only the main differences between both CCIs are set out here, when it comes to representing businesses and interacting with public institutions. As previously said French CCIs are public bodies whereas their British counterparts are structures of private right based on voluntary membership and fees paid by members. Generally speaking French CCIs and thus the CCIP/CRCI are more powerful institutions in terms of financial and human resources, since they are financed on a compulsory basis by a dedicated tax (TFC) paid by all firms – depending on their revenue - registered to the *Registre des Commerces et des Sociétés* (RCS). The CRCI has a budget of 4.12b€(2014), which at 74% comes from the TFC, and has more than 3,600 employees. Conversely the LCCI only has a budget of 5.8 M£ (2010), including 1.2 M£ (21%) from membership fees and 4.6M£ (79%) coming from services to firms and annuities, and only has 85 employees.

Both institutions are undoubtedly of different nature. The LCCI is first and foremost a structure aiming at representing business interests and providing various services to firms. The CRCI is mostly a structure that manages infrastructures and educational bodies (notably important *grandes écoles*). The organization is not financially dependent on its proximity to business needs and interests, which makes it in this sense not very representative despite its 800,000 members that generally pay their tax and then ignore the chamber.¹ The opacity and organizational complexity of the CCIP and CRCI has been largely pointed out in many of our interviews. Moreover, in all the institutional and planning debates that have been described in the previous Chapters the CCIP and then CRCI have not been particularly visible and influential in expressing any particular views coming from any form of business consultation.² As confirmed by our interviews such actions do not relate to the primary role of the institution. Conversely the LCCI only represents a small part of London Businesses (4,000 members) but

¹ In this respect the massive abstention long-observed in the election of its members by companies, every three years, is very relevant and questions the representativity of the business world by CCIs (Andolfatto, 1993).

² The only noticeable document are « Cahier d'acteurs » published during the 2010-11 debate on transport projects, which was very general and only insisted on the needs for improving the attractiveness of the Paris region, and some press release supporting some specific lines (line 14 north, line 16 and line 17).

whose membership is voluntary – between 460£ and 4,000£ annually depending on the number of employees of the firm. Beyond its role in the 1990s, it supported some specific projects and regularly intervenes in public debate on London development and elections.¹ Yet our various interviews today suggest that their focus throughout the 2000s and 2010s became more and more centered on business-to-business networking, export documentation and other advisory services to its members and less on public policy, a role that was increasingly taken by London First – and of course historically and permanently by the City of London Corporation. The comparison between their board members (Appendix p.244) illustrates the presence of a large variety of businesses – and notably smaller ones – and the absence of big business leaders.

Overall the French and Paris CCIs are undoubtedly stronger bodies, but with no real representativity and strong connection to businesses and no primary prerogatives – at least de facto – regarding business representation and lobbying. Being much smaller (in terms of budget, employees and members) and less resourceful, the LCCI cannot be qualified as powerful. Yet it is a historical form of local and/or metropolitan business associations in the British capital, based just like the other more recent ones on voluntary membership which makes it undoubtedly more connected to the needs of its members, whether in terms of business-to-business services or public lobbying.

2) The MEDEF Paris / Grand Paris and the Confederation of Business Industry of London (CBI London)

The second historical form of business associations relates to the representation of business leaders, through a system of voluntary membership from businesses with the primary role of representing their interests with regards, at least until recently, to the central government.

The Medef Paris / Grand Paris: one small entry in a national congregation of businesses largely structured by traditional federations

In France these new organizations took the shape in 1916 of the Confédération Générale du Patronat Français (CGPF), in 1946 the Conseil National du Patronat Français (CNPF), which later became the Mouvement des Entreprises de France (MEDEF) in 1997.² In the Post-War

¹ It for instance supported the expansion of Heathrow in 2009-2010 (North-West Runway scheme) or a Green Belt reform.

² Of course numerous early forms of unions of business leaders (« syndicat patronal ») existed before, as shown in the case of Paris in the remarkable article by Claire Lemerrier and Andrew Lincoln : « Le syndicalisme patronal à Paris de 1815 à 1848 : une étape importante de la formation d'une classe

context of voluntarist Fordist policies by the French central government, the creation of the CNPF was conceived as a way to facilitate interrelations between the States and national business leaders from large industrial firms. The internal structure of the CNPF, and in many respects still the one of the MEDEF at least nationwide, was primarily organized by branch, with a territorial inter-industry entry but as a deconcentration scale for dealing with membership. The main entry is vertical with some dominant industries, mostly the already then largest French professional union the Union des Industries Metallurgiques et Minières (UIMM) – representing French key industries such as car industry, nuclear, aeronautics, boat industry, space industry, rail or electronics. In the 1980s onwards the action of the CNPF gets closer and closer to lobbying, while criticisms increase regarding an excessive proximity between the CNPF and the State (Offerlé, 2012, 2013).

The negotiations on the reform of the “35 hours” [“loi sur les 35 heures”] by the newly elected Socialist government led by Lionel Jospin quickly entail at the end of 1997 the replacement of the CNPF by the Mouvement des Entreprises de France (MEDEF). As well described by the sociologist Michel Offerlé the replacement of a “conseil” of the “patronat” by a “movement” of “entreprises” is highly significant (Offerlé, 2012, p. 177) : it epitomizes the will to limit the role of the organization to one of a regular common-right trade-union such as for employees. The term “patronat” disappears from all legal statuses and it is made very clear that the organization represents businesses as a whole, which implies forbidding individual membership unlike for the Confederation of Business Industry. Business leaders representing a firm within the MEDEF thus theoretically defend the interest of the whole organization. The system of membership fees is reformed to make it more proportional to the effective weight of each sector within the economy, and decrease the power of the UIMM. Last but not least, the same general system as in 1946 remains, namely that the MEDEF is a “*confederation of organizations*”, which means that all members are not direct members but become so either through a professional or territorial organization: either 80 sectoral federations (construction for instance) or local MEDEF (today 13 at *région* level, and in most cases around a hundred by *départements*). The political agenda of opening the MEDEF to individual memberships in order

patronale », *Le Mouvement social*, 114, janvier-mars 1981, pp.11-14. For further examples Europeanwide at both local/regional as well as national levels, see the remarkable collective book coordinated by Danielle Fraboulet and Pierre Vernus (Fraboulet & Vernus, 2012). But in France before the 20th century no real unification of inter-industry coordination of interests within business leaders happened, since markets and economic interests remained largely local (Offerlé, 2012, p. 87).

to reach the largest firms and business leaders of the country is regularly raised but has so far never been applied because of the opposition of traditional federations such as the UIMM which aim at limiting such enlargement of the movement to such new canals and targets. Somehow the reform of 1998 reinforced the autonomy of the various federations that the MEDEF still shelters (Woll, 2006).

Thus, unlike the vision often given in the media and common in public opinion, the MEDEF does not strictly represent the CAC40 and its most powerful business leaders even though these firms are somewhat its social basis. As related in Michel Offerlé's recent essay gathering multiple interviews of French *patrons* (Offerlé, 2017), and confirmed by our interviews with the historians Jean-Claude Daumas and Dominique Barjot, and even by the President and CEO of Medef Paris and Grand Paris, the MEDEF cannot be associated with the CAC40 nationwide. Considering it essentially the voice of the SBF120 – the 120 largest firms in terms of market capitalization – would be more accurate. In that sense, even though it would need to be further documented, given that the interests of these largest firms and those of other large medium-size enterprises often differ, it is very likely that the largest French firms and leaders never really felt extremely concerned with what the MEDEF was doing.¹ They have to be members but this membership is often managed and represented through a N-3 or N-4 in a presential rather than leadership logic. My more general hypothesis, stressed in the end of Chapter 4 and suggested in the first part of this one, is that the canals of public-private interactions and negotiations in France, when it comes to largest business leaders and public figures, still largely occur nationally and on a sectoral basis, formally but also largely informally through the system of *grands corps* and not through territorial and institutionalized business associations.

In this respect the MEDEF Paris is only one possible entries for businesses located in the French capital that wish to become members of the MEDEF, and that can also choose an entry

¹ The precise socioeconomic analysis of the President of the various Federations of the MEDEF by Etienne Penissat and Marion Rabier shows that these leaders are not very representative of the whole social group they claim to represent, in that their sociodemographic and professional position places them in a higher layer than the average French business leader. Yet they reveal that they also lack many sociocultural characteristics of the highest French *patronat* of the CAC 40, namely in terms of educational background and diplomas (Penissat & Rabier, 2015);

through a specific federation and of course other possibilities (Woll, 2006).¹ The successive decentralization acts, and notably the second one in 2004 by the Prime Minister Jean-Pierre Raffarin, generate a slight movement of decentralization within the MEDEF at regional levels following the prerogatives gained by the French *régions* in terms of business supports and economic developments. Even though the number of seats of territorial unions in the Conseil d'administration increases in the late 2000, the Executive Council remains largely dominated by federations : 45 elected members, including 22 from federations, 12 from territorial units, 1 President and 10 people appointed by the president (Grilliat, 2014, p. 95). In this respect the MEDEF Ile-de-France is apparently powerful because of the presence of main member of the UIMM and other large headquarters (Peugeot, Areva or Dassault are for instance members) but in fact remains in many respects a deconcentration scale of the whole MEDEF, in charge of institutional relationship with the Région Ile-de-France, having itself rather limited power as stated in Chapter 3. The MEDEF Ile-de-France, which has an associative status, only has 6 employees and a budget of 1 million euros, including 284,000 euros from public subsidies, 336,000 euros from membership fees and 282,000 from “other operating products” (Grilliat, 2014, p. 94). Its role is largely consultative and it sometimes produces documents and propositions for improving the attractiveness of the Paris region but with limited audience.

Business membership and its management remain largely done at départemental level, here by the MEDEF Paris (see Appendix p.245-246). The MEDEF Paris, located within the headquarters of the MEDEF, only has eight employees to manage its numerous members,² one fourth of which are not strictly speaking located within the City of Paris but prefers to become a member of MEDEF through the Paris representation rather than other *départements* of the region. Most of the activity of such territorial units of the MEDEF consists in attracting new members and managing the services delivered to them, from specific expertise to networking with other members, since the organization depends on membership fees. At these local scales public lobbying represents a very limited part of the activity of the MEDEF. Overall the organization is a complex confederation that should not be considered primarily as a national

¹ Michel Offerlé in this respect draws a general statistical comparison between the MEDEF and other business associations nationwide : CGPME, UPA, UNAPL, AFEP, Comité Richelieu or Institut Montaigne (Offerlé, 2012, pp. 44–45).

² The total number of members of the MEDEF Paris is not public information. The executive director of the MEDEF Paris answered this question by generally asserting that they were trying to make their membership as representative of the Paris economy as possible.

body. Local units mostly display an internal functioning primarily focused on services to their members with no visible lobbying. Regional units still largely operate as deconcentration units of the national MEDEF, with fewer links and intricacies with businesses, itself still structured by powerful sectoral federations organized nationally.

Eventually a MEDEF Grand Paris (see Appendix p.245-246) was created in 2015 to follow the creation of the Metropole du Grand Paris at the scale of Paris and its petite couronne. It is today chaired by the President of the MEDEF Paris Jean-Louis Schilanky and its executive director, Marie-Sophie Claverie-Aurousseau, is the one of MEDEF Paris. It is still an informal body with no legal status. No existing literature or interviews allowed us to better understand its relationship with the MEDEF Ile-de-France, which seems inexistent at best and rival at worst. As mentioned in Chapter 3 on the case of the Grand Paris Express, the MEDEF Grand Paris recently contested – through a press release - the increase of taxes on Ile-de-France businesses for covering the increasing costs of the transport projects.¹ This had so far no visible effect, as detailed in Chapter 3, supporting the hypothesis of a weakly structured voice of business in the Paris region, and an extremely low interest from the central government and generally public institutions regarding the analysis of the CCIP/CRCI or the MEDEF Paris/Grand Paris/IDF. Such statement was largely confirmed by interviews.

CBI London, a deconcentration of the national Confederation of Business Industry (CBI)

In Britain, even though it is not directly comparable as a trade union of business leaders like the MEDEF as stated below, the closest equivalent is the Confederation of Business Industry (CBI), created in 1946 by the merging of the Federation of British Industry (FBI), the British Employers Federation (BEC) and the National Association of British Manufacturers (NABM). In the 1970s CBI becomes the largest national body representing business and the primary body carrying out social dialogue with the central government, along with the Trade Union Congress (TUC) for employees throughout the 1970s. Large economic reforms started to be implemented with a tripartite model: central government, employers' organizations and trade unions. Facing important social protests, culminating in the famous 1979 winter of discontent, the Conservative government of Edward Heath also started to question the mode of

¹ Two examples can be found in the following articles : « [Grand Paris Express : le Medef craint les taxes](#) » (November 12th, 2018) and « [Financement du Grand Paris Express et gratuité des transports : L'impossible équation budgétaire](#) », (September 7th, 2018).

representation of business by settling in 1970 a Commission of Inquiry into Industrial and Commercial Representation, which precisely focused on the case of CCI and CBI. In 1982 this Commission supported a merging between CBI and the Association of British Chambers of Commerce (ABCC), which was refused. The advent of Margaret Thatcher as Prime Minister in 1979, who was very critical of CBI and largely supported by the Federation of Small Businesses (FSB), marks the end of tripartism and an era of pluralism when it comes to business representation. The increasing competition with other structures coincided with the decay of manufacturing activities which represented a large part of CBI membership (Grant, 2000). Generally the organization in the late 1990s onwards, just like the rest of the London economy, largely renewed its membership.

It is also the case of CBI London even though it can directly interact with important structures of the capital city, despite the centralized scheme earlier described. It provides the largest share of members to the organization and thus has largest financial and technical resources than other regional CBIs – despite a low number of dedicated employees (7). First of all the City of London Corporation since many of its biggest members are also members of CBI. This explains why the City and CBI's views are generally very well aligned. Then the Greater London Authority (GLA): along with LCCI and London First, CBI London largely supported the re-creation of a strategic metropolitan authority for the British capital throughout the 1990s, and is still a member of the London Business Board. Since the 2000s and the consolidation of metropolitan governance through multiple public-private negotiation, the implication of CBI London is only visible in specific time such a municipal election or consultation on strategic planning choices (a new London Plan for instance), and it today has more limited resources than LCCI or London First when only considering the regional structure. Eventually, along with London First, it has always supported Crossrail 1. Overall, just like LCCI, CBI is based on voluntary membership, but it more tends to represent larger businesses at chief executive and/or board level, which LCCI also does but for more technical activities at different management levels and mostly for smaller businesses.

The MEDEF Paris/Grand Paris and CBI London: a synthetic comparison

Thus, despite some historical common points between the CNPF and CBI, as national organizations aiming at lobbying the French and British central government, the MEDEF Paris/Grand Paris and CBI London fundamentally differ because of both the persistent weight of sectoral federations for French big firms, and the various trajectories of both institutions

during the second half of the 20th century. Both based on voluntary membership the MEDEF became a confederation with a complex mix of well-structured federations at national levels and territorial entries: regional ones (including the MEDEF Ile-de-France) that are still largely simple deconcentration scales and departemental ones in which public lobbying occupies a minor part of services to members. Overall the MEDEF in general and in the Paris region in particular has the image of a largely internal structure, whose lobbying mostly occurs nationally and which argueably is not a powerful canal for public-private negotiation - that in the French case largely occur elsewhere. As for the metropolitan consolidation of MEDEF it is still largely a fiction.

Conversely CBI has always remained primarily a lobbying structure targeting the central government, and CBI London – such as other regional bodies - is a deconcentration scale that implements a direct link to businesses and other members as well as an interaction with other London bodies, being business associations or local/metropolitan public authorities (Valler & Wood, 2004). In many respects it could be compared to regional structures of MEDEF, except that they overlap both more local MEDEF as well as other canals. Hence that the MEDEF, for different reasons as the CCIP/CRCI, has never been a visible and powerful voice during the Greater Paris agenda. The tables in the Appendix (p.247-250) detail the board members of the local MEDEF of the Paris region as well as of CBI London.¹ Apart from some exceptions in the MEDEF Paris (KPMG and EDF) and the MEDEF Hauts-de-Seine (Colas, Microsoft, Total and L'Oréal), large firms are notably absent from these territorial units. In contrast, beyond the membership of the City of London Corporation, Transport for London and University College London, CBI London exhibits a very large number of large firms in financial and business services: Thomson Reuters, Accenture, Alcatel-Lucent, Arup, Barclay, British Airways, CBRE, Cisco Systems, Deloitte, EDF Energy, EY, HSBC, IBM, Jones Lang LaSalle, Lloyds Banking Group, Manpower, Marks & Spencer, McDonald's, McKinsey & Company, Norton Rose, PWC, Veolia Environment or the Bank of England. Even though this is largely explained by the national dimension of CBI, CBI London has shown its influence on London governance since the 1990s. It has remained present within the public-private ecosystem of the British capital, and therefore still directly participates to carrying the voice of big business and relaying their interests within metropolitan and national public policies.

¹ In the case of CBI London, since membership is with CBI as a whole unlike for the MEDEF, a sole 2013 list could be found.

3) Paris Ile-de-France Capitale Economique [Greater Paris Investment Agency] and London First

The last couple of business associations refers to structures specifically created in both capital regions: Paris Ile-de-France Capitale Economique (PIFCE), also known as Greater Paris Investment Agency, and London First.

Greater Paris Investment Agency, a small structure focused on international promotion

The idea of creating a specific structure dedicated to the economic promotion of the Paris region was born in the late 1980s within the CCIP. The growing concern for the transformation of Western economies and the need for tackling the issue of regional and metropolitan development, in mirror of the then absence of prerogatives for French regions including the Ile-de-France, led to the publication of a report presented to the national assembly of French CCIs (“L’avenir de l’Ile-de-France, faux problèmes et varies orientations”). In this document the CCIP notably advocated for investments in new high-value sectors – financial and business services as well as research and development – and for the creation of a regional authority with large political autonomy in charge of the development of the Paris region. This pioneer reflection led to the creation in 1991 of a Club Capitale Economique on an associative model (1901 law). In 1997 this Club becomes Paris Ile-de-France Capitale Economique (PIDFCE), with the main focus of targeting large firms as its main members.¹ PIDFCE is thus an association that still works as an organizational externalization of large members of the CCIP.²

PIDFCE essentially relies on voluntary membership, each member being selected through co-optation and approval by its board. Its budget is around 1.4 M€(2011 data). Beyond a subsidy from the CCIP (400,000 euros, 35%) it comes from membership fees (on average 18,000 euros a year for members), between 800,000 and 1,400,000 euros a year on average and eventually operational revenues – mostly coming as described below from events and the organization of international road-shows for French firms (Grilliat, 2014, pp. 120–122). It accounted for 58 members in 2014, a number that has not significantly evolved during the last ten years, essentially big French and international firms located in the Paris region : nine from the CAC 40, big consulting firms (EY, McKinsey, KPMG, Deloitte), banks (Crédit Agricole,

¹ Indeed the position of Vice-President in charge of small and medium businesses disappears.

² It is still today located in one of the buildings of the CCIP (2 Place de la Bourse 75002 Paris).

BNP for instance), construction (Bouygues, Colas) and transportation firms and/or public structures (Air France, Aéroport de Paris) and various others (la Poste, GDF, EDF, Total) as well as public authorities and trade-unions (CCIs, MEDEF IDF and MEDEF Paris, Fédération Nationale des Travaux Publics, FNAIM and more recently the Métropole du Grand Paris). Members are selected with regards to their alledged importance for the attractiveness of the Paris region and the specific areas of expertise they can bring. The launching of the Grand Paris projects in the late 2000s had a significant effect of the development of membership in PIDFCE.

The main purpose of PIDFCE is not public lobbying. It is on the one hand a body in charge of promoting the Paris region abroad but which does not help companies to settle in the capital region, which is the prerogative of Paris Région Entreprises (analysed in the third part of this Chapter). Their main targets are financial investments that mostly relate to real-estate markets, and also greenfields ones.¹ On the other hand, and more significantly, it is a body that coordinates the export of services and expertise of French firms located in the capital region on internal markets. Hence that most of the work of PIDFCE consists in organizing road-shows abroad in which different firms and some public figures collectively try to sell their services in foreign markets and cities. The Grand Paris project is here used as a “vitrine” of French expertise and big firms, pitched thanks to the map of the Grand Paris Express and the linking of “clusters” (see Chapter 3). In that sense big businesses use PIDFCE as a way of bypassing traditional business associations (CCIs and MEDEF) for better selling their services abroad.² Most activities relate to networking with other members as well as international business executives (through breakfasts or dinners for instance). The effective attractiveness and governance of the Grand Paris is presented as a concern but somehow not a primary one. It is dealt with through regular studies and reports, sometimes comparing Paris to other large cities abroad,³ published on different issues but not followed by any significant actions of lobbying which are asserted as not a real part of its prerogatives. Hence the small size of the organization that only employs four to five people : one chief executive, one manager for benchmarks and international studies, one for international delegations and road shows, one for managing

¹ When PIDFCE detects a potential investor it often directs it to Paris Région Entreprises, whose role is to accompany business and/or investors for setting up in Paris.

² Some members also simply finance PIDFCE in a simple non-profit logic (*mécénat*).

³ Such as the Global Cities Investment Monitor made with KPMG or some booklets made for the MIPIM (one of the main international real-estate and urban exhibition gathering investors, developers and public authorities).

memberships and partners, and one for a dedicated project that can evolve from one year to another. This small size is largely perceived positively by members in terms of reactivity and flexibility, and no demand for developing the organization on new prerogatives such as public lobbying has ever been expressed. As for the relationship to the CCIP and in 2010 onwards the CRCI, PIDFCE was sometimes perceived as an anomaly and a potential rival, but their existence was never really jeopardized since membership fees given on a voluntary basis do not compete with the compulsory tax for the Chamber (TFC).

London First: a dedicated lobby for the attractiveness of the British capital

The creation of London First in 1992 is the result of a trend that started in the 1980s with the creation in 1982 of Business in the Community (BiTC), a non-profit association that works as a network of business leaders, under the influence of two major figures: Lord Allen Sheppard and Stephen O'Brien. BiTC illustrated the new paradigm started by Thatcherian reforms in which business was meant to cope with the decline of traditional manufacturing cities and favour the rise of private actors in their local and urban governance. Beyond economic and urban issues this was also a political move for countering the quasi-monopoly of the Labour Party within local governments. The general movement for local collective action by companies is joined by CCIs and CBI. The application of this movement in the British capital leads to the creation of London First in 1992.

Just like PIDFCE, as well as LCCI and CBI, it is based on voluntary membership, essentially large international firms located in London. It already accounted for 150 members in 1993, showing the extent of the demand for metropolitan coordination on behalf of big business, at a time when there was no London government and in a wider context of economic recession and spending cuts.¹ Originally it was conceived as both a body for promoting the British capital for foreign investors, including the delivery of new businesses within the capital – a process analysed in the third part of this Chapter on promotion agencies – and a lobbying structure. The need for economic promotion leads to the creation in 1994 of the London First Center, a subsidiary company headed by Lord Marshall of Knightsbridge (also then head of CBI) until 1998, managed by London First but co-financed by the City of London Corporation, the City of Westminster, the London Docklands Development Corporation and the Government

¹ At its very beginning London First was essentially supported by Grand Metropolitan, British Airways and large private developers.

Office for London. When the Greater London Authority is created in 2000 it becomes Think London, a dedicated promotion agency financed by the GLA on the basis of a five-year contracts. Think London rapidly developed in the 2000s and started to open dedicated offices abroad.¹ It thus became a distinctive organization, with separate accounts but still close links with London First: people from London First are part of the board of Think London and members of London First automatically benefit from the services provided by the promotion agency.

Therefore London First increasingly focused in the 2000s onwards on public lobbying and influence.² As described in Chapter 3 it took an important part to the institutional debate on the recreation of a metropolitan authority for London, along with LCCI and CBI London, and it was especially influent in advocating for the Crossrail project since the early 1990s. It works as an advocacy organization, not just a think-tank, and the services bought by members who join relate to some form of thought-leadership. It is a way of understanding, from a business point of view, the challenges faced by London and the role of some specific issues such as transportation projects or housing development for instance. Beyond that, membership is motivated by networking which happens through events specifically centered on big businesses – unlike the networking structure of LCCI for instance which also gathers small and medium companies - and the will for developing a coordinated voice for interests with regards to public organizations, which is done both formally (through the media or various events and consultation gathering public and private actors) and informally. The number of members has significantly grown since the original 150 members of 1993, to reach 198 in 2014 (Grilliat, 2014, p. 130) and 235 in 2019. It gathers important businesses such as Heathrow Airport Holdings (formally BAA), Bank of America (formally Bank of America Merrill Lynch), Berwin, Leighton Paisner, British Telecom, the Canary Wharf Group, CB Richard Ellis, Deloitte, CH2M Hill, Deloitte, EDF Energy, Gensler, Grosvenor, HSBC, Invensys, KPMG, Land Securities, Lendlease, London Gatwick Airport, London Higher (which represents 50 publicly funded universities), PwC, Qatari Diar, Quintain Estates and Development, The Crown Estates, Thales or UK Power Networks. Some of the members have a status of Partner which

¹ As seen in the third part of this Chapter, Think London was merged in 2011 with Visit London and Study London to form a unique body for promoting London internationally for investors, tourists and students : London & Partners.

² Let us also recall that between 1997 and 2010 international promotion was partly taken over by the State through the creation of Regional Development Agencies.

provides them access to high-quality events and opportunities. Overall membership fees are around 40,000 £ a year, which is around three times the ones of PIDFCE, but with expectations in terms of public lobbying.

Hence that it is a significantly larger organization than PIDFCE, with 39 employees today presented as policy experts and campaigners. It has a 3.5 M£ budget (2014) which largely comes from membership fees (3 M£, 86%) and commercial revenues. Unlike for PIDFCE it does not receive any public funds. Its status is private, limited by guarantee and with no share capital. Beyond their support of specific infrastructure projects like Crossrail 1 and their contribution to proposing financial schemes, it regularly makes propositions for both London development and governance. On the one hand, concerning planning issues, it advocates for higher housing delivery including more social and affordable homes, and higher density in general when it comes to urban projects delivered by private developers. It also regularly questions the persistence of land-restrictions such as the Green Belt policy. On the other hand it identifies an enormous opportunity-cost to radically reform local government and supports higher devolution of power to London, while acknowledges that such reform would be extremely contentious and time-consuming.

PIDFCE and London First : a synthetic comparison

Detailed information on PIDFCE and London First are available in the Appendix (251-252). Both are specific bodies for each capital region with a focus on big businesses, as well shown by the analysis of their members and the comparison of their board members (see Appendix p.253). They are based on voluntary membership, even though London First is more clearly dependent on it financially. They were created around the same time, both for the purpose of internationally promoting the capital region, but in the case of London First also more for carrying the voice of big firms regarding public actors and reforms. With the development of a dedicated body for promoting London, it became centered on networking and lobbying prerogatives. Conversely PIDFCE works as a small and flexible externalization body from the CCIP/CRCI whose primary function is networking and the coordinated promotion of services and expertise of large firms abroad. It only partly “sell” the Grand Paris to investors and foreign businesses but largely uses the Greater Paris project to sell the expertise of French firms in foreign locations. No particular demand for public lobbying that would imply a development of the organization was never requested by any members.

Overall, this organizational analysis of main business associations in both cities revealed important differences when it comes to the coordination of business interests and public-private interactions. The whole London system of interrelations, as already highlighted in the previous historical Chapter, is based on voluntary membership by firms and thus a competition between various business associations, each of which responding to specific needs on behalf of businesses. The LCCI and other more local CCIs are fundamentally local organizations which can represent all kinds of businesses – micro to macro – but they derive most of their income from trade documents or from the sale of information necessary to import and export. They display heavier emphasis on business-to-business networking and promoting trade missions – selling London to the rest of the world – than they do on public policy. CBI is fundamentally a national organization that does not do regional representation.¹ It is based on a regional member engagement and does regional networking activity (breakfasts, dinners, with various speakers for example) but does not do public policy at regional level like London First does. Some businesses can become members of both CBI and London First, even though it is not very common, but basically they can choose between CBI and London First depending on their aspirations in terms of public policy and the scale of their delivery (local / regional / national). Competition between both does not appear clearly, which is understandable since CBI must deal with multi-regional interests that are often incompatible with autonomous regional lobbying done within a very same organization.

This form of multiple structured business interests, based on voluntary membership and fees, that described here and in the previous Chapter, is also visible in additional organizations that are only evoked now. On the one hand the Canary Wharf Group, already mentioned in Chapter 3 on transportation projects, which developed as a coordinating body for large businesses located in the Canary Wharf in the 1990 onwards. It delivers daily services to members and manages many utilities in the perimeters of the business centre, and also promotes the location both to other London businesses as well as abroad. Its prerogatives both in terms of local management structure and external representation and promotion make is quite comparable to the City Corporation of London, with of course much less historical, political or economic importance and a different internal political governance. Another example of local

¹ Just like the Federation of Small Businesses, which represents micro-businesses (essentially 0-5 employees), but is fundamentally a centralized national organization that does not carry out significant regional public policy action.

business associations is the London Economic Action Partnership (LEAP), which is the single Local Enterprise Partnership (LEP) of London, the local public-private partnerships created by the 2011 Localism Act that replaced the Regional Development Agencies (RDA). As mentioned in Chapter 3 these local structures are largely business-led and have widely developed locally throughout Britain since then (Lefevre & Terral, 2016, p. 32). Unlike other LEPs elsewhere the LEAP was depicted as not very dynamic for the obvious reason that it came within a city-region in which a lot of well-structured business associations already existed.¹

The analysis of local and regional business associations in Paris exhibits a striking absence of equivalent structure of business interests in a logic of lobbying and public-policy influence. The CCIP/CRCI, just like the French CCIs, are public bodies compulsorily financed by all businesses through a dedicated tax. They are thus resourceful organizations but whose primary role is the management of infrastructure and the support of higher education bodies. Their representativeness of businesses and their understanding of their needs appear questionable as best. The MEDEF has undoubtedly a closer link to the needs of its members but it displays a complex internal organization, as a confederation of strong traditional federations and territorial units that are focused on private services to their members in an internal and self-centered way. Public positions of the MEDEF occur also exclusively at national level and on national issues, and it is often wrongly considered by the media and public opinion as the primary voice of large firms. Eventually PIDFCE has an unquestionable link to major big firms located in the Paris region but remains a very small organization, only used by them for international promotion of their expertise abroad and to a lesser extent for selling the Grand Paris abroad to foreign investors. But not in the perspective of making a difference regarding political reforms and public policies at the benefit of the Paris region.

Hence that the few attempts for filling this gap always remained marginal and fragmented. A Club de la Communication du Grand Paris was for instance created in 2011 at the initiative of some public figures like André Santini, Maurice Leroy, Jean-Paul Huchon and Daniel Canépa, which aimed at coordinating the communication around Greater Paris between the main public and private actors. It is today known as the Club des Acteurs du Grand Paris, which gathers public and private figures, some experts and journalists on a regular basis but purely for

¹ Board members for the Canary Wharf Group and the LEAP are presented in the Appendix (p.254).

sharing information and in the purpose of trying to coordinate their communication.¹ Overall, it is very clear that there is no business associations gathering the most important firms and business leaders of the Paris region in the perspective of developing the metropolis and making their case accordingly regarding the public sphere. This does not mean that there is no public-private interaction in the French case or happening in Paris. It simply supports the hypothesis raised in the end of Chapter 4 and confirmed by the social structure of big business leaders (very centralized and concentrated, with a socialization happening nationally through specific traditional-industry networks and notably the system of *grands corps*), as well as the relative weakness of local and regional business associations as compared to London, that the French system of public-private interrelation occurs through different canals. The last part of this Chapter describes the consequence of these results from the first two parts when describing two unequal systems of “economic governance” in both capital cities, with consequences in terms of how each metropolitan system of interrelations fluidly adapts to large technological and economic changes.

C - The unequal “economic governance” of Paris and London

This last part synthesizes our historical analysis (Chapter 4), the contemporary photography of the social structure of big firms and business leaders (Chapter 5 – A) and the comparison between the main local and regional business associations (Chapter 5 – B). All this reflects empirically in two different but also clearly unequal systems of public-private interrelations and coordinations in both capital regions (1). This can be well illustrated by a comparison between each ecosystem of economic promotion (2). This eventually leads us to theoretically define the “economic governance” of cities, regarding the existing literature on urban governance and in a faithful filiation to neo-institutional economics and the notion of

¹ Even more marginally the Club des Entreprises du Grand Paris was created in 2012 by Jacques Godron, which works as a networking structure that neither produces any significant work nor takes any position on any important issues regarding the Greater Paris agenda. Companies – and in fact individual members of specific departments that have a personal connection to the founder - can become members by paying between 10,000 to 30,000 euros in order to have access to 20 to 25 events a year, in which they come in contact with local public figures.

“corporate governance”, and support the hypothesis that it indeed makes a difference when it comes to metropolitan dynamics (3).

1) The unequal public and private interrelations in Paris and London

London, a network of multiple public-private interrelations

This sub-part synthesizes many elements already mentioned in Chapters 3 and 4. The whole London system of public-private interrelations and the permanent structure of bottom-up local interests were somehow inscribed in its very origins with the historical and persistent role as well as status of the City of London Corporation. As briefly presented in Chapter 3 the City is often mistakenly considered as a local authority: it is a private corporation with public authority and power on a number of areas. With 4 billion pounds of assets it works as massive property company and private developer that developed properties and initiative outside its boundaries across centuries. It is consubstantially based on public-private interaction as historically the representation of economic interests of guilds and corporations. The elected members of the City Corporation listed in the Appendix (p.255-257), who are so by local businesses, well illustrate the intricacy between small, medium and large firms located in the Square Mile, with prominent leaders from financial and services firms, but also people with their individual business or members of small firms, as well as retired people fully devoted to their electoral mandate.

Even though the Lord-Mayor has no operational power and works as ceremonial ambassador of the organization, preserving its history and tradition, the institution itself still has considerable political and economic influence. It primarily interacts with national politics rather than local and regional ones and has representation all over the world. It has always had prerogatives and strong expertise in the economic promotion of London. Today the Lord-Mayor spends half of the year touring the world as an ambassador but is backed by a whole organization that employs 3,000 people and has considerable technical and financial resources. Not only is the City of London the geographical centre of London, it has always been as widely described in Chapter 4 its political and urban centre, around which the development of central government functions occurred as suburban additions. Moreover the development of new urban centralities and local governments historically happened in the shape of a patchwork primarily structured by market forces. Across centuries but also during the transition period of the 1980s and 1990s the City Corporation worked closely with other boroughs and city-halls and

politically used its financial resources for rendering itself useful given the then uncertainty of the institutional future of London.

The composition of the Mayor’s Business Advisory Board of Mayor Sadiq Khan

Name	First name	Position	Company
Ashtari	Omid	General Manager	Citymapper
Beale	Inga	CEO	Lloyd’s of London
Cotzias	Constantin	Director Europe	Bloomberg
Denny	Kym	CEO	hVIVO
Dorfman	Lloyd	Chairman	Doddle
Gadhia	Jayne-Anne	CEO	Virgin Money
Hunt	Vivian	Managing Partner	McKinsey & Company
Khemka	Shalini	CEO	E2E
May	Paul	CEO	Patisserie Holdings
Mendelsohn	Nicola	Vice President EMEA	Facebook
Parsons	Kathryn	CEO	ICo / DeCoded
Rathi	Nikhil	CEO	London Stock Exchange PLC
Sargent	William	Co-founder	Framestore
Tenison	Laura	Managing director	Jojo Maman Bébé
Wood	Sarah	CEO	Unruly
Woskrow	Debbie	CEO	Love Home Swap

In this respect the LCCI, CBI London or London First should not be considered as equally powerful and influent as the City of London, but more as extensions and institutionalizations of secular practices of public-private intricacies, interrelations and negotiations: soft-powers in some sense. But their views are commonly accepted as somehow faithful to what private actors actually expect, even though they have no coercive powers. In this respect the London system of interrelations is based on collective and horizontal fluidity and coordination, as analysed through the examples of infrastructure projects (Crossrail 1) and institutional debates (the re-creation of a metropolitan authority and a new powerful figure of Mayor for London but with very limited operational powers). Such implications was also favoured by the fact that London, unlike Paris, experienced successive periods of quick growth but also clear economic and urban decline. In the 1980s and 1990s this trend was accompanied with a political vacuum that catalysed the awareness and fear on behalf of businesses. In that sense the Third Industrial Revolution reanimated the traditional system of interrelations of the British capital, based on structured bottom-up public-private interests and permanent negotiation, but also in the end collective coordination and commonly-shared worldviews. When it comes to public-private interrelations from the point of view of the GLA, this has been true of every successive administration whatever the political affiliation of the Mayor, even Ken Livingstone who could easily be seen as an “anti-business” figure (J. Hall, 2006). More recently Sadiq Khan has for

instance created of Mayor's Business Advisory Board, gathering both local entrepreneurs and prominent figures from large firms (see the table above) four times a year. Let us eventually not forget that this was already the case before the GLA. As Tony Travers and George Jones already argued in 1997, "*in reality, London government is bound together by a large number of formal and informal partnerships, joint committees and networking arrangements*" (Travers & Jones, 1997). This means that the new metropolitan authority somewhat acted as a facilitator or a catalyst for a previously existing relational system, on the middle-run favouring negotiation between well-structured local and metropolitan interests and the central government on structural reforms as well as devolution.¹

The absence of (public-private) coordination in the Paris region

The extreme institutional fragmentation in the Paris region, largely described in Chapter 3, illustrates a general incapacity of setting out any form of collective coordination at metropolitan level, and has reached unprecedented levels these last years. An interesting attempt for overcoming such fragmentation and political divisions across the region was the creation of the Conférence métropolitaine in 2006. It followed the new movement of local cooperation in 2001 onwards between the City of Paris – and its then new Mayor Bertrand Delanoë and the deputy-mayor Pierre Mansat – and the adjoining communes and mayors. This opened an era² of dialogue and negotiation around local projects and attempts for better coordination in terms of planning and transportation. It became Paris Métropole in 2009 and the Forum Métropolitain du Grand Paris in 2016, taking the form of a soft-institution with no political prerogatives (a « syndicat mixte d'études »), operating as a discussion forum for mayors and other local officials. It always suffered from the political fragmentation of the region, being primarily a discussion forum for politics, with a presidency changing every-year on the principle of political switching : a « présidence tournante » with somehow a right-wing president one year and left-wing one the year after that). Yet it so far remains the most significant attempt for overcoming political and institutional fragmentation in a different and

¹ In this respect Mark Kleinman, Tony Travers and George Jones rightly recall that the local fragmentation of the 1990s coincided not with decentralization in the British case but with centralization (Kleinman, 1999; Travers & Jones, 1997), notably through the creation of the Government Office for London (GOL).

² The previous mayors Jacques Chirac and Jean Tibéry has managed the City of Paris in an autarchic way. The first one always kept a national political agenda and the second one built its political legitimacy regarding Parisian voters on a complete status quo.

more horizontal way. Only employing around 5 or 6 permanent people, it produced studies and recommendations in terms of urban development, public policy and institutional governance. It regularly managed events gathering officials and sometimes wider public consultation like during the recent act of decentralization – leading to the MAPTAM and NOTRE laws in 2014 and 2015 – and the creation of the Métropole du Grand Paris. In this occasion it produced various institutional scenarios in the form of a *Livre vert* in 2012. But at no point did the institutional reform leading to the creation of the Métropole du Grand Paris take into account the work that had been produced during the five years before.

Nor was this reform, as well as the whole institutional discussion on the reform of the governance of the Paris region, open to additional other bodies including private actors and/or business associations. As Franck Vallerugo relevantly notices « *the participation of private companies to the debates organized by the syndicat d'études Paris Métropole remains marginalized to the « committee of partners » [Comité des partenaires] itself largely institutionalized (chaired by the President of the CCIP). The role of these partners is to nourish the reflections of elected officials and possibly challenge them rather than to take an active part to the decision-making process. (...) The same can be said of the internal organization of the Société du Grand Paris whose supervisory board only grants a marginal and institutionalized place to business which is represented by CCIs [Chambres consulaires], public transportation companies under the authority of the State and the Regional Development Agency [Agence Regionale de Développement d'Ile-de-France] whose board is itself almost exclusively made of institutionals* » (Vallérugo, 2013, p. 606).¹

The actual situation of unprecedented institutional overlaps and incapacity to achieve substantial decentralization and collective coordination at metropolitan level thus both stems from institutional fragmentation (no public-public coordination) and an incapacity to involve

¹ « La participation des entreprises privées aux débats organisés par le syndicat d'études Paris Métropole reste marginalisée au « comité des partenaires » qui est lui-même largement institutionnalisé (il est présidé par le président de la CCIP). Le rôle de ces partenaires est d'alimenter les réflexions des élus et de les interpeler plutôt que de prendre une part active aux processus de décision. Au-delà de ce comité, les relations non hiérarchisées des entreprises avec les maîtres d'ouvrage se limitent le plus souvent à des études extracontractuelles et/ou précontractuelles susceptibles de permettre aux entreprises d'anticiper les futurs appels d'offre. Il en va de même dans l'organisation interne de la Société du Grand Paris dont le conseil de surveillance n'accorde qu'une part marginale et institutionnalisée au monde économique représenté par les chambres consulaires, les entreprises publiques de transport elles-mêmes sous tutelle de l'Etat et l'Agence régionale de développement d'Ile-de-France (ARD) dont le conseil de surveillance est lui-même quasi exclusivement composé d'institutionnels » (Vallérugo, 2013, p. 606).

wider views - including private actors - within any decision-making process (no public-private coordination). In this context most public institutions separately try to incorporate – sometimes for sole cosmetic purposes - a larger range of actors. The case of the Conseil Economique, Social et Environnemental Régional (CESER) is only one example of this trend. Just like for other regions the CESER Ile-de-France works as a second regional chamber that supposedly represents the civil society of the region. As seen in the Appendix (p.258-262) it is made of 191 elected members divided in four « collèges ». The first one gathers together economic actors but through the CCIP/CRCI, the MEDEF and the CGPME which occupy half of the seats (Lefevre, 2017, p. 72), the rest of which is essentially made of small and medium-sized companies. The second one is made of employees' trade unions with half of the seats for the Confédération Générale des Travailleurs (CGT), the Confédération Française Démocratique du Travail (CFDT) and Force Ouvrière (FO). The third one is made of various other bodies (associations, federations or foundations) and the fourth of private individuals (« personnes qualifiées »). Beyond the questionable efficiency of such large boards, even though it must be consulted for every decision involving the prerogatives of the regions and its budget, the recommendations of the CESER are only consultative (Lefevre, 2017, p. 72).

From the point of view of a big private company this time, the example of the Mission Grand Paris of Veolia Environnement, one the two main French firms of urban utilities, well illustrates the difficulty of achieving public-private coordination. The launching of the Greater Paris agenda in the late 2000s led the large firm to internally create a dedicated department for following the evolution of the projects and possibly make recommendations. This was also strategic, since as mentioned in Chapter 3, one of the main drivers of the Greater Paris transport projects on behalf of the central government was to question the monopoly of the RATP and SNCF. But the Direction was quickly marginalized because at that time (late 2000s and early 2010s) Veolia Environnement had a branch for transportation (Veolia Transport which then was sold to Transdev). The Director of the Mission Grand Paris, Lionelle Maschino, tried to convince the various State and local public bodies involved in the Grand Paris Express project that other issues should be dealt with including the management and development of urban utilities (water and waste management for instance) as well as other planning issues. The case of local development around future train stations was considered by the Mission Grand Paris as under-tackled by public authorities, leading it to try to involve other companies such as Schneider and Orange, but which did not consider any such form of early initiatives on their

behalf as relevant. Such initiatives then became criticized by many public authorities including Paris Métropole, based on the common vision in France that private companies should not interfere within the Greater Paris agenda. Moreover within the group itself the Mission Grand Paris of Veolia was at first not really supported by the different departments (Veolia Propreté, Veolia Energie, Veolia Transport and Veolia Eau), which were exclusively focused on anticipating future contracts and thus frightened of jeopardizing their relationship to public authorities. Eventually, after considerable internal work and convincing, Veolia Propreté and Veolia Energie became involved in this will for multi-industry coordination, which EDF also joined regarding energy transition issues.¹ On the one hand there is as we have seen a general belief on behalf of public authorities that private actors should be involved in the decision-making process, whether for alleged moral reasons or because public authorities would be better suited for taking the best decisions, which in the case of Greater Paris is still highly questionable. On the other hand it is also true that as a result private firms have developed long-term habits of simply following (and in many case ignoring) such political agenda, while simply getting involved for anticipating public contracts. It is largely for such reasons – both the idea that private actors are not legitimate for interfering in the public debate and the fear for hostile reactions on behalf of public authorities that could result in the loss of important utility contracts in the Paris region - that the CEO of Veolia Environnement Antoine Frérot eventually decided in 2015 to abolish the Mission Grand Paris.

Overall, regarding this whole picture, the dominant worldviews and the structure of its system of public-public and public-private interrelations, Paris clearly appears less as an international city than the heart of the French centralized institutional system paralyzed on every side.² A last important feature contributing to such lack of collective intelligence relates to the absence of locations in which such statements could be expressed to key public figures and economic actors, and any collective awareness could therefore be produced. In the London system universities and think-tanks indeed play a considerable role in producing and sharing knowledge on the one hand, and favouring the exchange of views and analyses on the other.

¹ As for water the regional direction Veolia Eau Ile-de-France was especially hostile to the initiative because of its historical and enormous contract with the Syndicat des Eaux d'Ile-de-France (SEDIF) that was supposed to be renewed in 2017 (and which was effectively won by Veolia amongst others against Suez).

² Let us recall that such statement is consistent with its demographic dynamics analyzed in Chapter 2, with a largely smaller share of international migration in its population growth than in London.

For instance every year the Centre for London, one of the main think tanks of the capital region who works for both public authorities and private companies on various public policy and urban development issues, organizes The London Conference. This event gathers together prominent political figures¹ and business leaders and associations earlier mentioned. What appears in the case of London as quite a normal situation is strikingly absent in the Paris region, where there is no equivalent locations as well as events that could gather main public and private figures to exchange views and analyses on the development of the metropolis. In this respect French universities and *grandes écoles* located in the region and whose research activities focus on urban government and urban governance do not play an equivalent role in public policies and debates on Greater Paris as the London School of Economics and Political Science for instance does.

2) The illustrating case of promotion agencies

Before translating these overall compared empirical schemes in a theoretical approach to the « economic governance » of cities, let us illustrate the effects of such unequal systems of public-private interrelations through a comparison of both ecosystems of economic promotion.

Indeed promotion and development agencies are a very relevant example of an array of services that needs to well articulate a good understanding of the expectations of international investors and businesses aiming at settling in the metropolitan region, and the coordination with a general offer involving economic externalities for which public authorities and policies do play a role. In the Paris case, this case study mainly focuses on Paris Région Entreprises (PRE) and Paris&Co. As for London, beyond the City Corporation which carries out its own actions for international promotion, it focuses on London & Partners as the official promotion agency for London (see the synthetic table below).

¹ Mayor of London Sadiq Khan; former Mayors of London Boris Johnson and Ken Livingstone; Deputy Mayor of New York Alicia Glen, Lord Peter Mandelson, former UK Foreign Secretary David Miliband; and Baroness Martha Lane-Fox and Newsnight Lead Presenter Emily Maitlis

Synthetic table comparing Paris & Co, Paris Région Entreprises and London & Partners

	Paris and Co		Paris Région Entreprises		London and Partners (2011 onwards)	
Jurisdictional status	Non-profit public private partnership.		Non-profit public agency		Non-profit public private partnership	
Area covered	City of Paris		Région Ile-de-France		Greater London	
Employees (2019)	84		80		160	
Budget (early year)	2015	7,5 M€	ND		2012	19 M€
Budget (recent year)	2019	13 M€	13,5 millions €		2019	27 M€
Funding	<i>Paris City</i>	<i>Private sector and operational revenues</i>	<i>Ile-de-France Region</i>	<i>Private sector</i>	<i>GLA</i>	<i>Private sector</i>
	25%	75%	80%	3%	50%	20%
Organization	Geographical and sectoral organization, with several incubators in one sector located in different location in Paris (ex : food, sport, fintech, tourism...)		Regional organization and three colleges : - Institutions (Région IDF 50%, BPI 25%, CRCI 25%) - Private actors (350 members almost exclusively SMEs) - Other actors (no information on members)		8 hierarchy levels, CEO being level 8. Functional organization at level 7, with directors managing people at level 6 that are sectorally organized	
Role	Has 3 major activities : incubation, urban experimentation and open innovation		Promotion and delivery		Has a remit in all three sector of investment, tourist and student promotion	
Actions	Economic development, innovation, establishes links between big and smaller companies				Helps companies to set up in London. Organizes big events	
Types of publications (if applicable)	Studies and promotion documents on the Paris start-up ecosystem		Promotion documents and films		Promotion documents and films	

The fragmented and institutional promotion in the Paris region

Despite recent efforts for better coordination, the Paris economic promotion ecosystem is still highly fragmented and suffers from the same lack of public-private coordination, that is especially problematic when it comes to such actions of promotion (selling/branding to city to investors / businesses, as well as other targets) and delivery (having the target settle in the city and accompanying it). Theoretically such prerogatives today belong to Paris Région Entreprise (PRE) which is the promotion agency that operates under the authority of the Région Ile-de-France.¹ This consubstantial link with the regional institution exposes it to successive political change and strategies, and limits the emergence of better links and percolation with business. The idea of creating a dedicated body for the attractiveness of the Paris region harks back to the late 1990s when the new President of the Regional Council of Ile-de-France Jean-Paul Huchon attempted to launch various public policies for employment, leading to the creation of the Agence Régionale de Développement (ARD) whose main prerogative was to attract foreign

¹ Let us recall that the successive decentralization acts have increasingly given prerogatives of economic development to *régions*, and the last one (Acte III) not only merged French regions (from 22 to 13, leaving the Ile-de-France unchanged) but gave them a theoretical monopoly on these issues.

investors (a prerogative of exogenous development).¹ In 2008 onwards the political majority within the region changed and Jean-Paul Huchon was re-elected but had to deal with a larger majority from the French ecological party (today Europe-Ecologie-Les Verts). The dominant views on metropolitan development and on the role of the ARD radically changed to favour an endogenous approach with a priority given to small- and medium-businesses and a prominent agenda on sustainable development with no international preoccupation. This led to the creation of Paris Région Entreprises (PRE) in 2014 by the merging of the ARD and the Centre Francilien de l'Innovation (CFI), another body supported by the Région – and also by public subsidies from the central government and the European Union. Despite the fact that both structures were of rather equal sizes (around 40 people each) it was clearly meant to focus all human and economic resources on endogenous and sustainable development for SMEs. The new majority in December 2015 onwards led by Valérie Pécresse completely changed this agenda by making PRE a tool for international attractiveness, just like the original ARD was. These successive complete strategic and organizational changes considerably destabilized the institution and made it extremely difficult to structure an expertise on the middle-run.

PRE today has a budget of 13.3 m€ which is more than 80% financed by the Région, then by other public subsidies from the Banque Publique d'Investissement (BPI) and the CRCI and operational revenues from some events – exhibitions or congresses. The contribution from the private sector to PRE is completely marginal in the budget (300,000 to 400,000 euros, 2-3%). It today employs 80 people, including 70 in France and 10 abroad in dedicated offices (7 in the United States and 3 in China). As detailed in the Appendix (p.263), even though it remains largely institutional, its governance has been slightly opened these last years and is today made of three colleges : the first one made of elected officials of the Région (40% of the votes), the second one from some actors involved in the development of the Paris region (Banque Publique d'Investissement, Pôles de compétitivité, Université de Cergy-Pontoise ; 20% of the votes) and the third one, with 40% of the votes, made of private actors but largely small businesses.

The role of the organization is the promotion of the Paris region and the delivery of investors and businesses within a local ecosystem – through an array of services such as accompanying it to find a location, understanding the specific juridical and/or fiscal context, favouring business-to-business networking or providing various other incentives during the

¹ A structure had been created before within the then Institut d'Aménagement et d'Urbanisme de la Région Ile-de-France for tackling attractiveness issues.

beginning of the settlement (discounts in rents and/or business taxes for instance). The same general discourse on the Paris region is used as PIDFCE, branding the region and its economic opportunities around the Grand Paris Express and its alleged territories of technological and economic specializations.¹ In this respect PRE suffers from the wider lack of coordination with and between local authorities in the Paris region that it would need for locally delivering a investments in a business-services logic. Many of our interviews suggest that despite notable efforts for better coordination PRE is still today largely communication-centered with a lack of internal culture for services to business.²

In this respect the promotion ecosystem in the capital region more largely suffers from the general institutional fragmentation. The example of the *Marché International des Professionnels de l'Immobilier (MIPIM)*, the main international real-estate exhibition happening in Cannes (France) every year in March, is in this respect extremely relevant of an ecosystem in which everyone does its own international promotion independently. It gathers together developers, investors and local authorities during a few days in the *Palais des Congrès* around an array of companies and specific real-estate and urban projects geographically gathered by cities – with one or multiple stands. Since the late 2000s, as observed five times by the author of this thesis, Paris was represented by multiple independent stands - 18 in 2019 – and not necessarily based on different geographies : promotion agencies, local authorities, State EPAs, local planning structures (SEM/SPL), CCIs and so on. After multiple years of trying to better coordinate the general promotion of the Grand Paris, the only achievement in 2019 was to add a single label « United Grand Paris » (see below) managed by PRE but with the remaining same fragmentation on the backfront.³ This is only a symptom of the public-public fragmentation and public-private absence of interrelation analysed so far. At no point do we pretend to measure any concrete economic effect of this. Yet it is quite clear that from the point

¹ In this respect the English version of the Website of PRE, with the title « Choose Paris Region », represents Paris as an array of clusters, the ones that are promoted since the first version of the Grand Huit project, as illustrated by the following sentence : « *The region is a constellation of diverse, specialized districts that make it a highly attractive location for a range of industries, research areas and lifestyles* ».

² Some interrelations between PRE and large firms do exist but they relate to activities of international sourcing for R&D departments of these companies. In this sense, also for good personal contacts of their actual respective heads, the relationship between PIDFCE and PRE today is quite fluid since both do not address the same departments within big firms.

³ The same observation can be made for the *Salon de l'Immobilier d'Entreprise (SIMI)*, the second largest real-estate event which occurs every year in Paris in December.

of view of any investor this cannot be positive both in terms of image and quality of service when it comes to settling them locally.¹ Conversely the London stand is always well coordinated by the dedicated agency London & Partners (analyzed below), with representatives of the Greater London Authority gathered around a large model of London with the strategic locations with the main ongoing development projects.

The eighteen structures gathered under the label « United Grand Paris » in the 2019 edition of the MIPIM



Eventually, on a different organizational model more largely based on voluntary membership by private actors, the City of Paris has established its own development tools for economic development : Paris & Co, created in 2015 by the merging of Paris Région Lab, which was focused on the development of start-ups, and Paris Développement which was centered on international promotion. It coincided with the 2015 NOTRe law which transferred the prerogatives of international promotion to regions. Hence that Paris & Co became focused on endogenous development of start-ups.² As seen in the structure of its board (Appendix p.263) its governance it still highly politically linked to the City of Paris but has been slightly opened : three seats for City of Paris officials and three seats for officials of the Métropole du Grand Paris, illustrating its ongoing trend of intervening in some adjoining communes of the petite couronne (mostly eastwards). This first collège is supplemented by two others : one for public institutions (two seats for the Atelier Parisiens d’Urbanisme and the Office du Tourisme et des

¹ Not to mention the fact that the very large majority of the members speak very fragile English and almost none of the writings on the stands are translated in English.

² Paris Développement had acquired a local expertise on helping businesses to locate in Paris thanks to its consubstantial link to the City of Paris. Yet such a work of accompanying an investor in its settlement process is very time-consuming and politically not very visible. This might explain why these prerogatives of the former Paris Développement were not politically defended by elected officials of the City of Paris when transferred to PRE. Unlike the issue of « innovation » and « start-ups » which are more appealing in political terms.

Congrès de Paris) and economic actors (three seats) : Aéroports de Paris, the SEMAPA (a local development body largely publicly financed by the City of Paris) and the CEO of Weezevent (an important start-up for planning major events). The governance thus remains largely institutional. Today Paris & Co has 84 employees and its budget has considerably grown these last years, from 7.5 M€ in 2015 to 13 M€ in 2019, with only 25% from the City of Paris, mostly due to an increase of private members (133) and private funds (75%). It accompanied 517 start-ups in 2018, and beyond membership fees it increased its other sources of funding thanks to numerous networking events (more than 300 a year).

The development of Paris & Co epitomizes a recent new dynamism regarding start-ups in Paris. Yet as well summarized by Pierre Veltz (2019), « *with iconic operations like Station F, the mega-incubator of Xavier Niel, the declaration of President Macron on France as a « start-up nation » and the spectacular cultural change of young generations of engineers and managers, there are some promising signs. Yet the impact remains modest. The new interest shown by the GAFAs for the Parisian technology ecosystem is striking. It must not result in an organized crushing (of companies and brains). In Paris, like elsewhere in France and in Europe, liabilities are important for the rise of our young talents : market-sizes, difficulty to find another « exit » as the rebuying by foreign groups etc. One needs to remain aware of scale gaps. The first semester 2018 was a record for the investment of risk capital in French start-ups that raised 1.7 billion dollars. But this number should be compared to the 128.3 billion dollars worldwide, including 47% in America and 44% in Europe. Paris, despite its energy, remains a small player in the world of « tech » » (Veltz, 2019, p. 118).¹*

¹ « Avec des opérations emblématiques comme Station F, le méga-incubateur de Xavier Niel, les déclarations du Président Macron sur la France comme « start-up nation » et le changement de culture spectaculaire des jeunes générations d'ingénieurs et de managers, il y a des signes prometteurs. Mais l'impact reste modeste. Le nouvel intérêt manifesté par les GAFAs pour les milieux de la technologie parisienne est frappant. Il ne faudrait pas qu'il soit surtout l'occasion d'un écrémage organisé (des entreprises et des cerveaux). A Paris, comme ailleurs en France et en Europe, les handicaps sont énormes pour la montée en puissance de nos jeunes pousses : taille des marchés, difficulté de trouver une « sortie » autre que le rachat par les groupes étrangers, etc. Il faut rester conscient de la différence d'échelle. Le premier semestre 2018 a été une période record pour l'investissement en capital-risque dans les start-ups françaises, qui ont levé 1,7 milliards de dollars. Mais le chiffre est à comparer aux 128,3 milliards de dollars à l'échelle mondiale, dont 47% en Amérique et en Europe. Paris, malgré son tonus, reste un petit poucet dans le monde de la « tech » » (Veltz, 2019, p. 118).

London and Partners : a single public-private partnership agency for promoting the British capital

The fragmentation of the Paris promotional ecosystem contrasts with the highly coordinated situation in London, in the shape of a single dedicated public-private agency in charge of promoting the British capital abroad and delivering businesses and investors (and more generally newcomers) : London & Partners. As mentioned when presenting London First, economic promotion for business was already done since 2000 by Think London, re-focusing London First on local and regional lobbying. In 2010, partly because of the 2012 Olympics and also regarding the political agenda for cuts in public spending, Think London is merged with other promotional bodies targeting other actors (Visit London for tourists, Study London for students and Film London, a small agency promoting the British capital for audiovisual shootings such as films, series or documentaries). The new agency London & Partners is thus supposed to better coordinate the general promotion and « London brand » abroad. Its budget has significantly grown since then, from 19 M£ in 2012 to 27 M£ in 2019. Half of it comes from the Greater London Authority, a share that has slightly decreased these last years at the benefit of private funding – either dotations from private firms (around 20% of the budget with no public information on the companies financing it) and operational revenues (around 30%, amongst others coming from networking events and sponsorship for instance).

London & Partners is thus *per se* a public-private organization. Its board (see Appendix p.264) reflects the intricacy between the main public bodies of the British capital (beyond London & Partners : City of London, Greater London Authority, Transport for London or the Queen Elizabeth II Centre) and business representatives from leading firms from various sectors : Four Communications (communication), New Horizons (IT) or Thought Machine. Its Chairman Rajesh Agrawal is also Deputy-Mayor for business and its CEO, Laura Citron, was formerly Managing Director for the Government and Public Sector Practice of WPP, one of the main advertising and communication agencies in Britain. It accounts for 389 partners, mostly firms from banking, real-estate or insurance and employs 160 people. Professionals from the business world irrigate the whole organization, contributing to sharing worldviews and also better coordinating communication strategies between the main public and private actors. Amongst recent examples, the « #LondonIsOpen » campaign launched by the Mayor Sadiq

Khan after the Brexit referendum of June 2016,¹ was extremely quickly and well-coordinated with the main other structures of the whole governance system, including through social networks by various celebrities as well as prominent figures of London business.²

Overall this comparison is just a symptomatic illustration of the unequal public-private coordination in each metropolitan region. The impact of promotion agencies on the dynamics of a city is extremely tricky to assess precisely and the idea that it would make a significant difference is dubious at best. Yet they reveal the highly unequal capacity of each system of interrelations to produce organizational efficiency at the benefit of metropolitan growth. In this respect PRE does not measure its performance and it is not a requirement from the Région Ile-de-France. It simply follows the evolution of Foreign Direct Investments (FDIs) and the number of employment they allegedly create. They answer the question on the measure of their efficiency by general figures on the Paris region. Conversely London & Partners has developed an incremental methodology for measuring its added-value to the London economy, which is a requirement from the GLA and its other members. Each company that it gets in contact with, until seven years after their settlements, is interviewed and questioned in order to gather concrete information (FDIs, employment creation, internal investments, exports and so on) and also get the final decision for potential newcomers (for instance if they eventually chose to settle and why, and if they would have settled without the work of the agency). This also applies to firms thinking of leaving the capital (this part of the prerogatives is qualified as « business

¹ The case of Brexit is not tackled within this thesis. The vote itself is undoubtedly extremely revealing of the north-south divide highlighted in Chapter 2, already highly analyzed by British geographers and economists. It also epitomized differences between London (59.9% in favour of « Remain ») and most of the rest of Britain which in majority voted « Leave » (51.1% for the United Kingdom). Beyond the vote itself it is clear that the London economy will not benefit from this vote and that this issue has become vampirical for British politics but also local authorities and business associations. Numerous impact studies each anticipate very different outcomes. The concrete form taken by Brexit is yet not clear which means that analyzing its demographic or socioeconomic effects is highly unreasonable, especially in an academic work. Conversely many interviews made in Paris these last years exhibit what I could analyze as a highly self-satisfied feeling from France that Brexit will mean the end of London as a prominent global economic and financial centre, and the mass-arrival of global firms, start-ups, multinational agencies or researchers. This is so far no more than a fictional statement. In many respects Brexit is also a dangerous issue in France regarding the Grand Paris agenda since it can very easily become an a posteriori justification of the performance of the Paris economy and governance structures. Many interviews made show that this fear is justified.

² For instance Jude Law, Jarvis Cocker, Mark Boleat (Policy Chairman of the City of London Corporation), Xavier Rolet (Chief Executive of the London Stock Exchange), many large companies like Google or Hilton or universities (London School of Economics or King's College London).

retention » and was recently an important issue in the Brexit agenda).¹ Overall London & Partners is required by its members to provide evidence of its performance, measured in terms of added-value of the agency to the London economy.

Let us eventually conclude with a quick simulation. Before the performance in accompanying a new business or investment in its settlement, the only concrete function of the Websites of such promotion agencies is to provide to potential clients an easy contact (an email and/or a phone number) for getting all the information they might need. Thus an important sign of how effective an agency and overall a promotion ecosystem is relates to how easy it is for a potential investor to get in contact with them. The table available in the Appendix (p.265) presents the results of multiple Google search that argueably such potential investors would make : « settle business Paris / London », « set up business Paris / London », « business Paris / London », « start business Paris / London », « invest Paris / London » and « rules to set up a company Paris / London ». The Website of London & Partners appears in each of these searches and the other Websites reached (often ones of national governments) always redirect to the Website of the London agency, itself providing an easy contact on the first page (« Get involved » or « Contact us »). The Website of PRE almost never appears in the first Google page and the other Websites never redirect to it – most of the time they refer to France rather than Paris (redirecting to Business France for instance) and when one gets to the Website of the CCIP/CRCI, not even translated in English, there is neither any reference to PRE nor anything about how to locate in Paris. The Website of « Euro Start Entreprise » offer appears, providing investors with information at European scale, as well as for the United States and the United Arab Emirates. Overall, except when typing « Invest Paris » and getting to the French version of the Website of PRE (with an English version that is way less appealing and does not provide any easy contact on the first page), none of the important structures involved in the development of the Paris region appears.

Once again all of this is just here considered as a symptomatic illustration of what has been analysed so far. But the lack of collective coordination that it highlights is in itself not extremely reassuring in the case of Paris. In the end and in the long-run it is safe to assume that this whole picture should make a difference at some point. The last part of this Chapter suggests why, by largely applying the similar statement as the one from Chapter 4 when comparing

¹ The detailed methodology is available on the Website of London & Partners in the following [link](#).

French and British Industrial Revolutions, and proposes a definition of the « economic governance » of cities that may contribute to explain part of unequal metropolitan dynamics.

3) From neo-institutional economics to the “economic governance” of cities

From this comparison between both unequal systems of public-public as well as public-private interrelations I now conclude by proposing a theoretical definition of the “economic governance” of cities, in a faithful filiation with neo-institutional economics, and raising the hypothesis that on the long-run it plays a role in metropolitan dynamics.

Corporate governance and the reduction of transaction costs

Let us first recall on the origin of the notion of « governance » that, as already stressed in the beginning of Chapter 3, differs from the one of « government ». The notion finds its origin in the 1930s¹ the pioneer work of Ronald Coase in his famous article « The Nature of the Firm », rediscovered later on by Oliver Williamson and at the heart of what is referred to as neo-institutional economics (Coase, 1937; Williamson, 1981). Ronald Coase was then trying to explain the apparent paradox from the point of view of neo-classical economics of the growing number of very large firms in the United States, as compared to the alleged higher efficiency of market transactions. Like many others he understood that producing final goods and services required a series of successive processes of production. « *But whereas others took the boundary of the firm as a parameter and examined the efficacy with which markets mediated exchange in intermediate and final goods markets, Coase held that the boundary of the firm was a decision variable for which economic assessment was needed. What is it that determines when a firm decides to integrate and when instead it relies on the market ?* » (Williamson, 1981, p. 550). In other words what are the economic rationales behind the nature and degree of internalization of some transactions in the form of labour-contracts within a firm, namely within « *the system of relationships which comes into existence when the direction of resources is dependent on an entrepreneur* » (Coase, 1937, p. 393).

¹ It more precisely relates to a much older French term of « gouvernance », that in the mid-15th century referred to the domestic duty of a governess but had not been used in centuries. Yet this is purely anecdotic.

For tackling this dichotomy between the market and the firm, that-is-to-say for « *bridg[ing] what appears to be a gap (...) between the assumption (made for some purposes) that resources are allocated by means of the price mechanism and the assumption (made for other purposes) that this allocation is dependent on the entrepreneur-co-ordinator* » (Coase, 1937, p. 389), Ronald Coase first suggests the idea that relying on price systems has a cost in that it requires time and resources to find a co-contractor, negotiate and set out the terms of the transaction. Such « transaction costs », as first formulated by Kenneth Arrow in 1969 (Arrow, 1969), can refer to the search and information costs (gathering information, comparing prices and qualities of goods and/or services etc.), bargaining and decision costs (establishing a contract) and policing and enforcement costs (monitoring and controlling the application of the contract) (Coase, 1988; Dahlman, 1979). The economics of these transaction costs were then further analyzed by Oliver Williamson, structuring the stream of neo-institutional economics, based on the analysis of economic organization based on transaction-cost economics (Williamson, 1981). The basis of their analysis is that different parties in an exchange aim at diminishing these transaction costs in a context where there is a cost for information, where individual behavior are opportunistic and where people act with limited rationality. Therefore certain characteristics of transactions such as the specificity of a given good or service, the uncertainty or frequency of exchanges generate specific kinds of economic institutions whose function is to reduce transaction costs (Di Maggio & Powell, 1997, p. 116).¹ Firms are thus to be understood as an equilibrium between the internalization of transactions through contracts and the rely on market for transactions, with an optimal size given by equalizing the marginal costs of internalizing a transaction and leaving it to market forces.

The notion of « governance », thus originally understood internally as « corporate governance », stems from this understanding of the logic of the firm. By referring to firms as a series of contracts neo-institutional economics raise the question how these are controlled and operated. The different mechanisms and processes by which these contracts are conceived and managed and thus how the firm as a whole system of interrelations operate, in a context of uncertainty, opportunistic behaviors and limited rationality, what we refer to as the « governance » of the firm or « corporate governance » in the end intrinsically aim at limiting

¹ Beyond this statement neo-institutional economists internally shelter different approaches and debates on the way in which transaction costs are dealt with, a debate on the optimality of institutions, or different degree of importance given to public institutions as opposed to worldviews, beliefs and ideologies (Di Maggio & Powell, 1997, p. 2016).

transaction costs. As well highlighted by Oliver Williamson, « *transaction-cost economics (TCE) views governance as a means by which to relieve the oppressive logic of « bad games », of which the prisoners' dilemma is an exemplar* » (Williamson, 2007, p. 5).¹ TCE thus conceives institutions as social arrangements and therefore structures of « governance » with the intrinsic objective of reducing transaction costs (Di Maggio & Powell, 1997, p. 121).

As already mentioned the concept of « governance » was then applied by the World Bank in the 1960s and 1970s for qualifying the organization of States and public policies in developing countries, step by step replacing the notion of “government”. Henceforth also conceived from an external point of view to the firm, it was still understood regarding the objective of reducing transaction costs – whether it proved efficient or not – by conditioning the loans to developing countries to the establishment of public-private partnerships, allegedly more efficient in this respect. Thatcherian reforms starting in the early 1980s – mostly consisting as described in Chapter 3 in limiting the fiscal autonomy of local governments, recentralizing most of their prerogatives and leaving the rest to the private sector – in this respect related to a similar view. Local governments were to be forced to establish public-private partnerships by the limitation of their resources, just like what the World Bank had done for developing countries in the 1960s and 1970. Whether efficient or not these reforms still understood “governance” in relation to its origin objective of diminishing transaction costs.

As described in the Introduction and in Chapter 3, academic research on urban governance in the 1980s and 1990s onwards has not developed in relation to the same causal preoccupation. As Gerry Stoker had himself noticed, “*the contribution of the governance perspective to theory is not at the level of causal analysis. Nor does it offer a new normative theory. Its value is as an organizing framework*” (Stoker, 1998, p. 16). Indeed research on “urban governance” had provided a better understanding of the complexity of horizontal as well as vertical interrelations that shape cities. As if the original preoccupation of “governance” as means for reducing transaction costs, and thus in terms of economic efficiency, had lost itself in the process. As stated before the literature on urban governance has produced different approaches, including

¹ As he more precisely writes in a footnote, « *rather than assume that players are accepting of the coercive payoffs that are associated with the prisoners' dilemma – according to which each criminal is induced to confess, whereas both would be better off if they could commit not to confess – TCE assumes that the criminals (or their handlers, such as the mafia) can, upon looking ahead, take ex ante actions to alter the payoffs by introducing private ordering penalties to deter defections. This latter is a governance move, variants of which can be introduced into many other bad games* » (Williamson, 2007, p. 24).

the “*urban regimes*” approach in the United States especially through the work of Clarence Stone (Stone, 1989, 1993) and then in the United Kingdom by Gerry Stoker (Stoker, 1998) and in France by Gilles Novarina (Novarina, 1998). In this purely horizontal perspective collective action can no longer systematically stem from hierarchical systems of actors with well-defined prerogatives. It conversely relies on the capacity of these actors to build temporary coalitions, based on new modalities of public action – contracts, cooperation, negotiation or partnership – for tackling different issues. To refer to Clarence Stone’s view actors in this respect have a “*power to*” rather than [a] “*power over*” (Stone, 1993, p. 8). As stated before the applicability of this approach to European cities, and especially to France and the United Kingdom, has been questioned by some French and British sociologists and political scientists, in that it would underestimate the role of State and its administrations (Harding, 1997; Le Galès, 1995).¹ On the contrary the development of “*urban governance*” as a paradigm for local public action in these countries would mirror a “*re-scaling*” process of European States (Brenner, 1999, 2004).

Indeed the long tradition of centralized State places local territories in these countries in a different situation than the ones in the US, especially in the case of France where most financial resources of territories still rely, as previously seen in Chapter 2, on transfer revenues operated at State level (Davezies, 2008, 2012). In this respect the more vertical approach to “local” or “urban governance” analysing the new role and tools of central governments in the conduct of urban policies at local scales (Dupuy & Pollard, 2014; R. Epstein, 2006, 2015; Lascoumes & Le Galès, 2005) is relevant for understanding these systems of interrelations. Beyond the question of whether or not the “urban regimes” approach applies descriptively, the issue on whether or not it should be applied and why still remains, and thus the question of what such or such governance scheme changes in terms of spatial dynamics. Throughout this thesis I have tried to replace the reflection on governance in a wider understanding of the technological and economic forces affecting the development of cities. By the conclusion on the “economic of governance” of cities, I aim at re-placing the notion in a causal analysis by re-asserting its filiation to neo-institutional economics, which considered it as consubstantially linked to the objective of limiting transaction costs.

¹ For a precise assessment on the applicability of « urban regimes » to London local governments, through the case analysis of six boroughs, see the 1999 article of Keith Dowding, Patrick Dunleavy, Desmond King, Helen Margetts and Yvonne Rydin (Dowding, Dunleavy, King, Margetts, & Rydin, 1999).

Metropolitan dynamics and the « economic governance » of cities

The two different and unequal Paris and London systems of public-public and public-private interrelations, as described in this Chapter but also as they have sedimented throughout centuries (Chapter 4), coincide with very different approaches to urban development policies (Chapter 3) that do not reflect similarly in terms of actual metropolitan development (Chapter 2). On the one hand the French strong and persistent belief in the unique capacity of the State to generate development and a deeply anchored way of tackling these issues through planning, infrastructure and rationalization of productive processes. On the other hand the British one based on the endogenous decentralized action of structured public and private interests with a minimal and controlled top-down State intervention. Through the experience of the 18th and 19th century Industrial Revolution, I suggested that the Third Industrial Revolution highly benefitted London quite similarly as before, not only by re-affirming its traditional position as a global financial centre, but also in reanimating its long-term relational system of institutionalized local and metropolitan public-private relations. While the Paris and French long-term system appears in fact seemingly more suited to Fordist times, with public-private interrelations between State and business leaders essentially occurring formally and informally at national level, through specific industry lobbies, with the dominant belief in top-down discretionary decisions and policies, rather than negotiated ones.

The lack of public-public and especially public-private intricacies at metropolitan level in Paris, that seemingly occur elsewhere industry by industry and at national levels, both illustrates and maintains this persistent belief in State top-down urban policies. With so far no significant evidence on a positive effect on urban development especially in times of Industrial Revolutions where the added-value comes from local reactivity and innovation (first-movers), as opposed to imitation and well-rationalized productive processes (second-movers). In this respect networks of actors and institutions do play a role in how worldviews and beliefs circulate and evolve within an urban society. As asserted by Douglas North, quoted by Michael Storper and his co-authors (Storper et al., 2015, p. 138), “*the dominant beliefs – those of political and economic entrepreneurs in a position to make policies – over time result in the accretion of an elaborate structure of institutions that determine economic and political performance*” (North, 2005, p. 2). He then completes this statement in his Nobel prize lecture: “*Belief structures get transformed into societal and economic structures by institutions – both formal rules and informal norms is an intimate one. Mental ones are the internal models are*

the internal representations that individual cognitive systems create to interpret the environment ; institutions are the external (to the mind) mechanisms individuals create to structure and order the environment. There is no guarantee that the beliefs and institutions that evolve through time will produce economic growth. Learning then is an incremental process filtered by the culture of a society which determines the perceived pay-offs, but there is no guarantee that the cumulative past experience of a society will necessarily fit them to solve problems. Societies that get “stuck” embody belief systems and institutions that fail to confront and solve new problems of societal complexity” (North, 1994). From this perspective, as stated in the introduction of this Chapter, some comparative essays have documented the role of networks of actors in the comparative evolution of metropolitan areas, such as Sean Safford’s comparative essay on Youngstown and Allendown (Safford, 2009) and Michael Storper and its co-authors on San Francisco and Los Angeles, in which they highlight a more dense and integrated “relational infrastructure” of San Francisco as opposed to Los Angeles (Makarem, 2015; Storper et al., 2015).

In this respect “governance” can indeed on the long-run make a difference by acting on these networks, by favouring and facilitating public-private interrelations, in a logic of mutual acculturation, worldviews’ confrontation, negotiation and hopefully in the end shared strategies. In this respect the effect of metropolitan growth relates to the joint-effects of various kinds of networks, organizational practices and the ability to match resources, that “governance structures” cannot create *ex nihilo* but favour and catalyse. This is consistent with the link between governance and game theory that neo-institutional economics had already well-identified, considering governance « *as a means by which to relieve the oppressive logic of « bad games », of which the prisoners’ dilemma is an exemplar* » (Williamson, 2007, p. 5). The situation in the Paris region largely described and analysed so far is one of institutional fragmentation and lack of public-private interrelations, which indeed generates a context of mutual ignorance or mistrust from an horizontal point of view, leaving any form of large-scale coordination and projects to voluntarist State intervention, itself largely relying on Fordist atavic views of development. The absence of collective coordination in the Paris region and therefore the presence of high transaction costs epitomize a lack of metropolitan governance.

How could such assertion be translated in a theoretical approach to the plastic notion of “governance” and how would it refer to the existing approaches by urban theory? Even though it is true from an empirical and descriptive point of view that the “*urban regimes*” approach

less applies to European contexts and especially France. Yet I share the analysis of Gilles Novarina that the French approaches to urban governance “rarely take into account the process of construction of interests or structuring of relationships between actors, which according to them relates to sociology or economics. They do not try to put in perspective political action with regards to other (more informal) forms of regulation. And surprisingly, they ignore a whole part of Anglo-Saxon approach to governance, more specifically of the urban regimes theory, which relates to the formation of preferences, an English term that can be linked to the ones of social demands or interests” (Novarina, 1998, p. 174).¹ Let us thus start back from the “urban regimes” approach and notably Gerry Stoker’s analysis, in which he chooses not to provide a clear definition of urban governance but instead to qualify a situation of governance, as opposed to government, with five contextual propositions (Stoker, 1998, p. 16). “Governance refers to a set of institutions and actors that are drawn from but also beyond government” (1). “Governance identifies the blurring of boundaries and responsibilities for tackling social and economic issues” (2). “Governance identifies the power dependence involved in the relationships between institutions involved in collective action” (3). “Governance is about autonomous self-governing networks of actors” (4). “Governance recognizes the capacity to get things done which does not rest on the power of government to command or use its authority. It sees government as able to use tools and techniques to steer and guide” (5). These propositions both refer to structural and relational dimensions of urban governance (Vallérugo, 2013, p. 600), by which each aspect of both systems of interrelations of Paris and London can be understood. The structural dimension has been essentially tackled in Chapters 3 and 4, and in this one when comparing business associations and promotion agencies.

When it comes to the relational dimension of governance, and especially the role played by private actors directly or indirectly (through business associations for instance) in the decision-making process and the implementation of actions, these propositions can be classified on the one hand given the degree and nature of this involvement, and on the other regarding how these public-private interrelations are managed and more or less institutionalized. As Franck Vallerugo summarizes, regarding this “economic” dimension of governance, these five

¹ « Ils ne prennent guère en compte les processus de formation des intérêts ou la structuration du jeu des acteurs, qui selon eux relèvent de la sociologie ou de l’économie. Ils ne cherchent pas à mettre en perspective l’action politique par rapport à d’autres modes (plus informels) de régulation. Et curieusement, ils passent sous silence tout un pan des approches anglo-saxonnes de la gouvernance, plus particulièrement de la théorie des régimes urbains, qui a trait à la formation des préférences, terme anglais qui peut être rapproché de celui de demandes sociales ou d’intérêts ».

propositions can refer to institutionalized practices, with either hierarchical management – mostly by local public authorities – or heterarchical management, or more generally involvement of more behavioral nature from companies and business leaders¹ (Vallérugo, 2005). Forms of institutionalized public-private interrelations with a leadership from public authorities is almost consubstantially what the Greater London Authority is about. In this respect the role of the public actor should not be understood in a top-down discretionary approach, but in its capacity to favour these interrelations, networks and negotiations, and possibly in the end exercise an authority when it comes to making decisions. The conception and management of Crossrail 1 (Chapter 3), or the presence of a dedicated public-private promotion agency as London and Partners,² are various illustrations of these widely developed practices in London that are absent in Paris.

As for institutionalized public-private interrelations with heterarchical management, they can relate to the co-construction by public and private actors of a common development framework. In this respect the elaboration of planning strategies and documents can be mentioned, less because of the questionable effects they directly have on a metropolitan economy, but because of the more or less shared and negotiated process that produces them. The elaboration of the London Plan by successive Mayors has been based on a large implication, consultation and information that largely includes private actors structured as we have described (Thornley, Rydin, Scanlon, & West, 2005, p. 1955). Conversely the Schéma Directeur Régional de la Région Ile-de-France (SDRIF)³ resembles more a “*sum of studies, a general compromise between constraints, prescriptions and objectives from various institutional actors (...) which lack a strategic dimension*” [“une somme d’études, un compromis général entre des contraintes, des prescriptions et les objectifs de divers acteurs institutionnels, (...) qui peinent à s’affirmer comme des documents stratégiques”] (Bourdin, 2013). Another pioneer example was the Pla Estratègic Metropropietà of Barcelona, a non-profit association created in 1990 at the initiative of the then Mayor Pasqual Maragall. It gathers

¹ This can refer to any form of involvement of a company and/or its leader in local development, for any kind of motives, whether this implication is somewhat linked to public authorities.

² In this respect other interesting examples can be found in France, notably in Lille (Lille’s Agency, formerly APIM) or in Lyon with the Agence de Développement Economique de la Région Lyonnaise (ADERLY). These agencies provide an institutional framework to a local tradition of involvement of business leaders in the economic and social development of the territory.

³ This is at least as applicable to the additional Schéma de Cohérence Territoriale (Scot) elaborated by the Métropole du Grand Paris.

since 2003 all public local authorities and private actors of the metropolitan region : chambers of commerce, business associations, representations of elected officials, employers and employees trade unions, universities or authorities in charge of managing the port and the airport. It carries out a role of socioeconomic monitoring and strategic promotion of the metropolis, which is co-constructed horizontally by all its members. In France the Comité Grand Lille is another example of these public-private institutionalized and heterarchical interrelations. Created in 1993 it gathers every two months the main public and private actors of the region for the same purposes than in Barcelona, with two differences : on the one hand it was historically created by local business leaders who in this region have a long tradition of involvement in local development ; on the other hand it is a purely informal structure that does in fact not even exist in juridical terms. Overall, the Paris region strikingly lacks as previously seen any location for such collective interactions, that regularly happen in London as shown in the example of the London conference by the Centre for London and the more important role played in this respect by universities.

More or less institutionalized and more or less hierarchical, these public-private interrelations both refer to what Franck Vallerugo qualifies as various forms of “*soft-institutionalizations of urban regimes*” (Vallérugo, 2005, 2013), what is here considered as the “economic governance” of cities. In this thesis I thus support the idea that the “economic governance” of London and the absence of “economic governance” in Paris, namely the unequal systems of public-private interrelations at local and metropolitan level, in the long-run partly explains their unequal capacity to adapt to wide economic and technological changes: the Industrial Revolution in the mid-18th onwards and the Third Industrial Revolution in the 1980s onwards. On a methodological point of view I defend an approach to urban governance based on a wider understanding of other economic and technological forces affecting cities and an analysis based on dependent variables. Eventually I suggest a definition of “economic governance” as the various forms of soft-institutionalizations of public-private interrelations that re-asserts a filiation with neo-institutional economics and whose primary function is to reduce transaction costs within cities. In such a perspective, whether for a metropolitan economy or within an organization, such logic of governance supposes an authority that regulates the system of interaction. As Alain Bourdin notices, quoted by Franck Vallerugo (Vallérugo, 2013, p. 607), “*any action which implies the collaboration of a diversity of actors can only last if there is a regulation framework that permanently balances the system*”

(Bourdin, 2013),¹ just like Oliver Williamson considered governance “*as means by which to infuse order, thereby to mitigate conflict and realize mutual gains*” (Williamson, 2007, p. 3). Such authority is still notably absent in the Paris region.

As stated in the Introduction this comparison of two large superstar metropolitan areas cannot lead to any form of parsimonious econometric proof. What it lacked in terms of high number of cases and systematic large-scale statistical demonstration, it has hopefully made up for through the in-depth historical and qualitative analysis of these two cases, backed up as much as possible by consolidated and comparable statistics. Such demonstrations on the role of governance in metropolitan growth are still very rare. Continuing the pioneer work of Alain Salles in the 1990s, Franck Vallerugo for example carried out in 2005 a typological and econometric study on 222 French *aires urbaines* (outside Paris) for the 1975-1999 period. He classified them – on the whole timeframe but also various inter-census intervals - in different groups regarding their endowment in *explained* variables (population growth, employment-rate growth and unemployment growth) on the one hand, and other variables potentially *explaining* their respective trajectories on the other.² Various statistical tests allowed him to econometrically explain between 60% to 80% of the dynamics of these *aires urbaines* given the timeframes considered (Vallérugo, 2005), raising the question on the complementary factors possibly explaining the rest of their evolution. One most plausible hypothesis is that social and political dimensions, hardly quantifiable, do play an important explaining but complementary role. As Alain Salles already observed in 1998, “*intuition and and experience lead to acknowledge the eminent role, and thus a complementary explanation to the factors [of the dynamics of cities]. Amongst them, policies implemented by municipal teams and structures of intermunicipal cooperation with the support of intermediate institutions (CCI, trade unions etc.) and business leaders appear as essential. It is this quality of “governance” that can favour winning strategies based on honest diagnoses*” (Salles, 1998).³

¹ « Toute action qui implique la collaboration d’une diversité d’acteurs ne peut durer que s’il existe un dispositif de régulation qui remet sans cesse le système en équilibre » (Bourdin, 2013)

² Numerous variables were tested, depending mostly on the possibilities of French successive censuses : the share of managerial functions (*cadres*) regarding workers and employees (*ouvriers* and *employés*), namely the *taux d’encadrement* ; the share of inactive people in the working-age population ; or the share of non-market services (*services à la personne*).

³ « (L)’intuition et l’expérience conduisent (ainsi) à reconnaître un rôle éminent, et donc une explication complémentaire aux facteurs (explicatifs de la dynamique des villes). Parmi ceux-ci, les politiques menées par les équipes municipales et les organismes de coopération intercommunale avec le soutien

The quantification of the involvement of local business leaders within the development of their territory and their implications within public local development policies has been made by Franck Vallerugo through a large-scale survey. The processing of these results and their statistical confrontation with the effective dynamics of the given *aire urbaine* led him to two results. On the one hand there is no correlation between general behaviours of business leaders in local development and the dynamics of the given territory. On the other hand, when simply considering involvements that are somewhat connected to public authorities at local level, such as the ones analyzed in this Chapter, a correlation appears. It is not significant enough to be considered an econometric demonstration, but sufficiently clear to allow him to raise the hypothesis that forms of public-private cooperations, qualified as local “economic governance”, have a complementary effect on the dynamics of cities (Vallérugo, 2005). Updates to this have been carried out by Professors of the Chair of Urban Economics of ESSEC Business School, on both the statistical dimension and, through a large-scale online survey for business leaders throughout France, on the analysis of local behaviors and involvements of private actors. The most recent results¹ reveal that the same explaining variables as in Franck Vallerugo’s doctorate thesis explain around 70% of the unequal dynamics of the aires urbaines. As for the behavioral analysis it leads to very similar conclusions: no overall effect but an observed specific correlation – or more precisely correlation test results below the independence rate - when considering public-private interrelations (Noisette & Vallérugo, 2019). Such results confirm that studying the link between economic governance and metropolitan dynamics is a field of study worth further investigations.

des institutions intermédiaires (CCI, syndicats etc.) et des chefs d’entreprise apparaissent comme essentielles. C’est cette qualité de « gouvernance » qui peut favoriser des stratégies gagnantes appuyées sur des diagnostics sans complaisance » (Sallez, 1998).

¹ The last update has been carried out by the Chair of Urban Economics of ESSEC Business School for the then Commissariat Général à l’Egalité des Territoires (CGET) and the Institut CDC pour la Recherche.

Conclusion for Chapter 5

The unequal “economic governance” of Paris and London contributed to their unequal dynamics throughout the Third Industrial Revolution

This last Chapter was the continuation of the historical long-term prospective from Chapter 4. It first allowed us to witness the persistence of a Fordist structure of big businesses in France, that were consolidated throughout the 20th century, in mirror of the development of a very centralized and narrow system of production of political and economic elites. This system of *grandes écoles* and notably *grands corps*, with unique intricacies between State and corporate top-positions, differentiates France from other countries such as the United Kingdom, which had always been on the long-run more reluctant to very big firms consolidated nationwide, and whose economic elite has evolved and opened more significantly globally during the Third Industrial Revolution. The comparison between the largests firms of each country has confirmed the economic analysis from Chapter 2 that London economy is more specialized in financial and business services than the Paris one, which remains structured by some very large firms from traditional industries of the 20th century, consolidated at national level and located in the very heart of the capital. All of this reflects in different embeddednesses of big business leaders – somewhat more national than metropolitan for Paris and more metropolitan than national in London.

These comparisons reflect in a largely unequal structure and influence of business associations at local and metropolitan level. London businesses display very structured interests showing their permanent will for being involved in urban policies and more broadly political decisions that may affect positively or negatively the attractiveness of the British capital. Conversely business associations dedicated to the Paris region overall appear much less structured and representative of the main businesses therein located ; or when they are more not focused on having any kind of significant influence on public policies and institutional issues such as decentralization or other structural reforms. This does not mean that the French system of interrelations does not shelter strong public-private interactions. But these interrelations, in mirror of the persistent Fordist organization of the French economy and politico-administrative system, occur elsewhere at national level – in Paris for not for Paris as a specific endogenous

productive system – through different canals: *grands corps* and specific federations devoted to traditional industries.

This reflects on the lack of negotiated and thus in the end shared worldviews, beliefs and strategies in the Paris case, and what appears to be a misunderstanding of metropolization processes and contemporary challenges faced by such superstar city-regions. The overall picture of this Chapter, as a continuation of the long-term historical perspective from Chapter 4, provides an understanding of the canals by which these persistent atavistic views on urban development highlighted in Chapter 3 are permanently reproduced amongst political and economic elites. The Paris system of interrelations, such as its socioeconomic and urban scheme (Chapter 2) is one of very poor porousness and fluidity, that is sometimes (questionably) believed to be overcome by voluntarist injections of public investment through infrastructure, with its supposedly induced development happening around. Conversely the London system is built on high public-private porousness and permanent negotiation between a light public sphere and well-structured bottom-up interests, in the end resulting in collectively shared worldviews and beliefs.

It is the long-term role of these networks of actors that does matter with regards to the capacity of metropolitan economies to adapt to large macroeconomic and technological changes. In this respect metropolitan governance can make a difference when it comes to favouring the development of these interrelations and permanently strengthening them. Just like corporate governance as theoreticized by neo-institutional economics was consubstantially conceived as a way of diminishing transaction costs in the economy, but whose outcomes have so far been forgotten when transcribed in urban research, urban governance needs to be understood in relation to external and measurable outcomes. In this thesis and especially in the last two Chapters, I have focused on an “economic” dimension of governance eventually defined as the various forms of soft-institutionalization of public-private interrelations within cities. This approach on the one hand re-asserts a filiation with urban regimes, even in such European States and especially France, calling for more substantiated decentralization and a more subsidiary approach for urban governance. On the other it re-asserts a filiation with neo-institutional economics which rightly considered governance as means to reduce transaction costs, “*by which to relieve the oppressive logic of « bad games »*” (Williamson, 2007, p. 5).

On the long-run such economic governance of cities less make a difference because of the nature and degree of urban outputs that it produces, but more in that it favours both the

development of horizontal multi-actor networks, permanent negotiation and in the end the possible sharing of worldviews and beliefs, and more importantly their evolution. All this because overall the objective is not simply to develop a strong relational infrastructure – there are many regions with strong ties that are economically relatively stagnant – but is more about trying to have the right ties at the right time.

Conclusion

“Economic systems that neglect moral and sentimental factors are like statues of clay : they look alive and yet they lack the life of the being made of flesh and bone” [“Les systèmes économiques qui négligent les facteurs moraux et sentimentaux sont comme des statues de cire : ils ont l’air vivants et pourtant il leur manque la vie de l’être en chair et en os”]

Mohandas Karamchand Gāndhī, *Lettres à l’Ashram*, 1930

“Reading furnishes the mind only with materials of knowledge; it is thinking that makes what we read ours. We are of the ruminating kind, and it is not enough to cram ourselves with a great load of collections; unless we chew them over again, they will not give us strength and nourishment (...) but that can be done only by our own meditation, and examining the reach, force, and coherence of what is said; and then, as far as we apprehend and see the connexion of ideas, so far it is ours; without that, it is but so much loose matter floating in our brain.”

John Locke, *Of the Conduct of the Understanding*, 1706

These two quotes remind us of the puzzle concerning the role of urban governance in the unequal growth and decline of cities that this thesis has explored. On the one hand, just like Development Theory for countries, New Economic Geography (NEG) and Regional Science and Urban Economics (RSUE) have proven very insightful when it comes to understanding the underlying forces affecting the location of economic activities across successive technological and economic cycles, and thus the unequal dynamics of cities. Yet they somehow only depict the common skeleton structuring the cities affected by these common forces and belonging to the same size and development-level club. NEG and RSUE’s econometric models, by not taking into sufficient account the social and political structure by which the economic and technological forces are filtered, fail to reach full understanding of the different ways that cities face common forces, or the two-way causality between these forces and the local structures that self-select cities into roles in a wider system. Or to rely on Mohandas Gandhi’s metaphor their analyses describe the common “*statue of clay*” that largely shape cities but not encompass the totality of the forces that makes them happen as they are experienced empirically.

On the other side the literature on urban governance has conversely not yet tried to connect its analyses to these other forces. Much of its research describes the institutions and practices found in cities, but these outcomes now need to be better related to wider structural forces, opportunities and constraints. The literature on urban governance is so far overwhelmingly qualitative and descriptive, with very limited large-scale data-driven research.

Thus, whereas NEG and RSUE tend to under-estimate the effect of socio-political structures on comparative urban dynamics, the literature of urban governance largely over-socializes and/or over-politicizes the analysis, leading to over-interpreting the varieties and difference amongst cities, which as such remain “*loose matter floating in our brain*”. Because it wished to place these forces into mutually interactive context, this thesis was conceived as an intrinsically transdisciplinary comparative exploration.

In this respect Paris and London provide a rich comparative case, given the socioeconomic, political, historical and urbanistic complexity they contain. But there is also a pseudo-control strategy built into this comparison, because these two large metropolitan regions much resemble one another in terms of fundamentals: capital cities of old-centralized States and thus heads of primate urban systems as well as heart of central political functions ; sole megacities of Western Europe ; superstar cities gathering a large density of high-wage and high-skill financial and business services. And ultimately, as largely documented in the thesis, two capital regions that display unequal metropolitan dynamics throughout the Third Industrial Revolution. To a more specialized, economically and demographically dynamic, unequal and spatially “spread-out” London responds a lowly specialized, economically and demographically sluggish, spatially compact but less unequal Paris. Differences in terms of specialization, labour-market regulations, income inequalities and spatial schemes for which governance did and still does make a difference.

Governance also has a constructive or collectively subjective side. It plays a role in producing and reproducing worldviews, narratives and developmental schemes on which urban policies are widely based on. In this respect the London system of interrelations, as well as the commonly shared demand-driven narrative on development, appear consistent with its dynamics, prominently based on maintaining and strengthening the attractiveness of its labour-market and considering urban policies as issues induced by metropolitan growth. Strong and multi-level public-private networks based on well-structured business associations and bottom-up interests therein contribute to producing endlessly negotiated and contentious projects, but whose starting points and basic assumptions are widely shared. In this sense, “economic governance” has been shown in this thesis to consist of soft-institutionalizations of public-private interrelations.

Turning to the French context, the Paris system of interrelations and its prominent supply-driven narrative on urban development display a striking gap with the observed dynamics of

the metropolis and more broadly of the whole French urban and economic system. Undoubtedly the persistence of higher labour-market regulations and employment protections, as well as an important public sphere and national welfare policies, diminish territorial inequalities that otherwise would be higher, as is the case in other developed countries. But the system imposes a heavy price that is usually not discussed in France: sluggish economic and innovation dynamics. In this context the dominant consensus endorses top-down infrastructure and supply-driven public policies, which are widely believed to stimulate development in spite of the paucity of rigorous evidence in favour of this view. The lack of a comparable case to which to compare the “economic governance” of the Paris region has contributed to reproducing such beliefs and worldviews amongst political elites. In this thesis, I have provided just such a case.

I demonstrate that the institutions of the Greater Paris region remain dominated by outmoded top-down views of governance, wedded to outdated notions of planning, and where little substantive decentralization has taken place. And there is a large price to pay in terms of economic dynamism, both in the static sense of employment levels, and in the dynamic sense of innovation, for the Paris region and hence for the French economy as a whole.

This thesis wishes to open further investigations for comparative urban research, inviting to better percolation and dialectic notably between Development Theory, NEG, RSUE on the one hand, and the study of institutions and governance of cities on the other. Via the transdisciplinary prospective deployed here, I hope to have identified the role of institutionalized path-dependencies for the understanding of urban trajectories and systems of interrelations. This suggests a need for comparative urban research to be attentive to history, whatever the other social science theories or analytics that are used. I hope to have convinced the reader of the merit of pursuing this type of research further, notably by adding further metropolitan areas in the comparison and layering in additional types of comparative data, both quantitative and qualitative in nature.

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