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State rescaling is only one dimension of state restructuring. In France as elsewhere in Europe, state rescaling takes different forms, for instance : decentralisation reforms and institutional, territorialisation of public policies, financial pressure on local and regional governments, the development of territorial policies aiming at fostering growth, policies to deal, control, support the poors, new urban policies, whatever that means, Europeanisation of segments of the state, debates about territorial and fiscal redistribution, pressure to limit spatial and regional differentiation, increased political competition and cooperation between level, reforms of state bureaucracies, the rise of horizontal European networks, the strenghtening of the core executive of the state (such as the Ministry of finance), the changing goals (both territorial dimension and types of firms) of industrial policies.....

Within the limits of this paper, we only examine the most spectacular element of the rescaling of the French state, ie decentralisation reforms and their dynamics. France is now widely known for having moved quite quickly away from being one of Europe's most centralised States to one in which regional but above all metropolitan political levels have acquired significant new strength and capacity. The simultaneity of this evolution with other processes such as globalisation, state restructuring and European integration is a clear incentive to establish a link between the latter series of phenomenon and the former and thus to support the "globalising neo-liberalism" hypothesis. Lessons from the past invite indeed to think of the rise of cities, localities and regions in Europe as deeply related to the transformation of the state within the context of institutionalisation of Europe and contradictory pressure of globalisation.

However, there alternative explanations which are more political. For instance, to explain the general rise of meso government in Europe, Perry Anderson (1992) underlined the fact that the end of the wars within Europe relaxed the constraints of state mobilisation and made possible differentiated political scenes. The rise of cities and regions in Europe, which took place over the last four decade is directly related

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to the making of the EU as polity within which wars have disappeared. In the French case, when observed at a more micro level, phenomena such as the quick rise of strong "*pouvoirs d'agglomération*" and more subtle emergence of the regional level should not be interpreted as mere functional responses to the disciplining force of globalisation and to the univocal logic of State reorganisation in response to these globalising processes either. Firstly, the decentralisation and the emphasis on horizontal cooperation between local authorities that both concurred to the rise of city and regional levels can be considered as the results of domestic political competition between different categories of actors, groups and institutions as much as functional responses to external economic factors. The dynamics of decentralisation which have enabled cities and regions to gain more competences and room for manoeuvre vis-à-vis central government is first of all a political dynamic which has little to do with neo liberal globalisation but has been supported by the dilution of the state within the EU.

This emphasis on the political dynamics of decentralisation processes will be nuanced in two ways. Firstly, we would argue that other elements of state rescaling are more directly related to the perceived need to reinforce French economic competitiveness and to respond to globalisation pressure. Secondly, the dynamics of cities within the decentralisation process has been strengthened, or at the very least facilitated by changing forms of economic development directly related to globalization processes, whether in the neo liberal definition or not. Urban strategies are more oriented towards competition, production-oriented policies and economic development issues but it is also important to mention that local authorities have also been more active in recent years to improve social services and environment quality. This fact is crucial and useful to insist on the fact that, in the French case, the disciplining effects of competition, globalisation and State restructuring has been largely compensated by the equally powerful logic of political competition. Decentralisation, central state restructuring, European integration have stabilised a whole new context within which individual actors have learnt to evolve, to elaborate new policies, to cooperate and compete.

In the first part of this contribution, we will draw a short reminder of the thirty years long history of decentralisation in France. We will put the emphasis on the variety of

mechanisms and dynamics that enabled the progressive rise of city-regions institutions and the slow but certain affirmation of the regional level. This will be the occasion to stress the importance of domestic political logics in the process of State rescaling in France and the ideological ambiguity of the decentralisation reforms. We will also try to look beyond top-down institutional reforms and put the emphasis on the importance of actors' and groups' logics and political competition in the progressive building up of a whole new context for action at the local and regional level. This will enable us to stress the partially undetermined nature of the decentralisation process and the importance of progressive institutional learning. The current aspect of the French regional and local system is the result of this learning process. The second section illustrates these logics through the example of the city of Nantes and the region Pays-de-la-Loire.

I. State restructuring and the territorial question

The section provides a brief description of decentralisation dynamics in shaped the new relationships between centre and peripheries and between levels of local and regional governments themselves.

1) The slow road towards decentralisation and local autonomy

French local political and administrative organisation and pattern of centre-peripheries relations have experienced two major changes in the last four decades. Those changes have countered two historical peculiarities of the French political system. Firstly, the decentralisation reform, the slow regionalisation and the progressive restructuring and loss of power of State field services have countered the historic centralised organisation of the country. Secondly, the developing and consolidation of increasingly more powerful inter-institutional cooperation institutions, particularly in the largest cities, have countered the traditional fragmentation of the local political and administrative systems and given birth to strong city-regions powers.

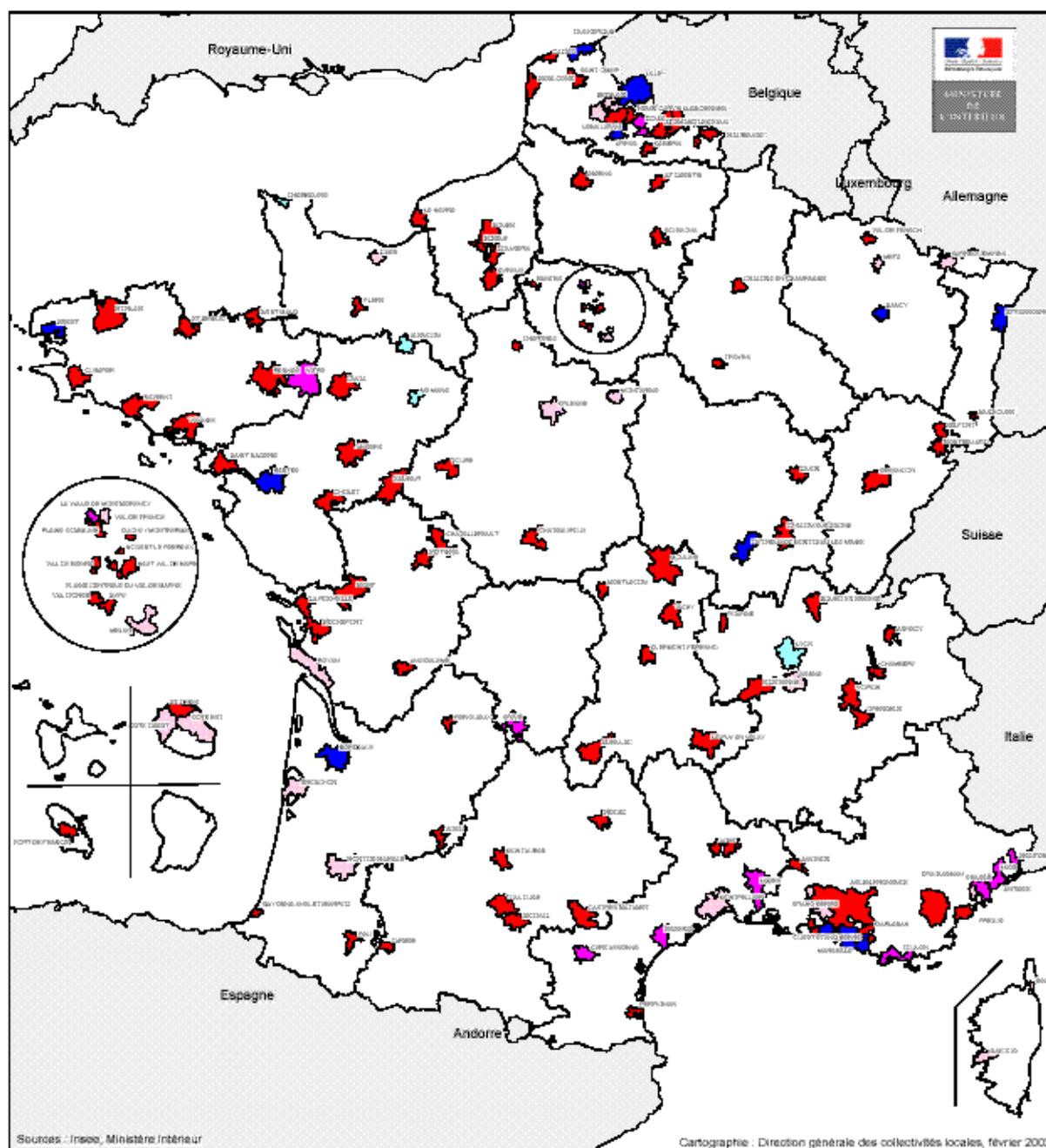
a) The decentralisation trend

The decentralisation dynamics slowly set in motion in the late 1960's (Mény,). The rhythm of reforms started to accelerate in the late 1970's and never stopped ever since. New power configurations have emerged leading to new conflicts, feeding the decentralisation dynamics. As a consequence, decentralisation in France is a slow and ongoing process, characterised by periods of reforms and ongoing gradual changes.

Historically, France was organised around the two levels of government inherited from the Revolution : 100 *départements* and 36 000 communes. Both levels were conceived as central government instruments and means of territorial control rather than autonomous bodies representing the interests of local communities. Regions were banned from the local system since they were associated with the Ancient Regime provinces. The Revolution also dismantled urban corporations, seen as an avatar of the pre-revolutionary system of privileges. It is these two last levels that, for nearly 40 years now, successive reforms have contributed to bring back. A detailed account of decentralisation reforms is not the aim of this paper, we only stress out some major trends such as :

- the very slow rise of regions, (failed reform in 1969 and then 1972, 1982 and 2003 reforms) : 22 regions have become a level of government which is very slowly gaining resources and political legitimacy within the French political system with little or no relation whatsoever with globalisation processes
- the very slow rise of intercommunal government, in particular in main cities, to overcome the institutional fragmentation since the 1972 Act. The series of three laws passed under the Socialist led Jospin government marked a turning point to reinforce intercommunal cooperation, a more competitive and social integration conception of territorial development and the legitimisation of the territorialisation of public policies.
- The resistance of the 100 départements in particular in the social policy field (and large resources)
- The slow reshaping of the state apparatus, ie the undermining of the State external services, the slow development of a more strategic regional level of the state and the strengthening of the core executive.
- The transfer of human resources and funding. 70% of public investment is now under the responsibility of local and regional government.

Les communautés d'agglomération et les communautés urbaines au 1er janvier 2002



- CA existant au 01/01/2001
- CA créées en 2001 ex-nihilo
- CA créées en 2001 par transformation
- CU à TPU
- CU à fiscalité additionnelle

b) The rise of horizontal cooperation devices

A second traditional feature of the French local system has been countered during the last two decades, namely the political and administrative fragmentation of local government systems. Indeed, the French municipal system has been reshaped by the rise of strong inter-municipal structures (Borraz, Le Galès, 2004). The huge number of communes and the problem of coordination that resulted from it has for long been one of the most sensitive problems of the French local government system. During the last century, the central government has repeatedly attempted to reduce the number of municipalities by imposing amalgamation. These attempts have not had any significant effect since they triggered the resistance of local elected officials. Beyond imposing municipalities' fusions, the central government also provided new institutional formulas for inter-municipal cooperation. Specialised intercommunal syndicates were progressively created in the post-war period in order to provide goods and services such as water, waste collection and treatment or public transportation. More integrated bodies for cooperation were also created above all in largest cities with specific taxes and compulsory activities. The more integrated of those bodies, the *communauté urbaine*, was imposed at the end of the 1960's to a dozen of large conurbations. The Decentralisation Act in 1982 and several other acts providing new institutional formulas for cooperation fostered the trend of creation of multi-purposed bodies raising their own tax. But the decisive impulse for cooperation has been given by the 1999 Chevènement Act. This act was intended to reduce the different forms of cooperation to three formulas, one adapted for rural areas communes (*communautés de communes*), the two other dedicated to urban areas (a less integrated formula, the *communauté d'agglomération*, and a more integrated one, the *communauté urbaine*). The act, mixing constraints for cooperation and strong financial incentives has launched a large movement of creation of structures even in the most reluctant local contexts. As a result, 14 *communautés urbaines*, 120 *communautés d'agglomération* and 2033 *communautés de communes* had been established by 1st January 2002. This whole set of institutions encompassed 26 748 municipalities and a population over 45 millions (75% of the French population).

Even if these new structures still lack democratic legitimacy –their members are still nominated by municipal councils even if recent reports advocated for the direct

election of the intercommunal councillors-, they now have strategic policy domains and large amounts of resources under their responsibility. Indeed, their competences encompass urban planning, public transportation, infrastructures, economic development, social housing, environment protection, waste collection and treatment. The new intercommunal administrations concentrate high level of technical expertise able to challenge their départemental and regional counterparts but also the central State field services. In large conurbations, the presidents of these intercommunal structures, who often happened to be the mayor of the core commune, tend to become highly powerful leader of a genuine "*pouvoir d'agglomération*" able to launch large projects and to mobilise local elites and institutions around those projects. The creation by the 2000 Voynet Act (*Loi d'orientation pour l'aménagement et le développement durable du territoire*) of *Conseils de développement*, sort of forums for the local urban societies, could provide the institutional spaces for the creation of enlarged urban coalitions gathering senior politicians alongside with social, cultural and economic local elites. The pro-urban stance of the left-green Jospin government (1997-2002) action was clear. Its aim was to enable French cities to build up solid integrated governments able to launch policies positioning the cities in the European territorial competition and to combat social exclusion through interventionist housing policies for instance. French largest cities' elites have also been able to develop a sort of parallel diplomacy, establishing connections not only with European institutions but also with their European counterparts in order to exchange experience in economic development policies but also in social and cultural policies (Pinson, Vion, 2000). The rise of largest cities has also been promoted by the central State itself that has privileged the city level to implement some of its policies, particularly in the sector of urban regeneration policies, recognising thus the territory as a factor enabling to provide a coherence to different policies and as a substitute to the old vertical integration through central State direct intervention.

2) Explaining change : the dynamics of political competition within a new set of constraints and opportunities in part and or indirectly shaped by globalisation pressure.

Alongside with institutional changes, other domestic dynamics favoured the redefinition of centre-peripheries relations and the rise of strong regional and

metropolitan levels. Those pressures did not come only from external origins (even if for instance EU played a role) or from neo-liberal oriented State officers and experts but first and foremost from local politicians and elites willing to extend their power and from State administrations willing to renovate their forms of actions on the field.

a) The weight of local elites and political competition

When looking at the French local and regional system, one should never underestimate the weight of local politicians vis-à-vis central State and the importance of political competition within dynamics of institutional change. It should be first reminded that France belongs to the category of countries where the relationships between local and national political elites are characterised by a vertical system in which local political elites reach the national centre through the succession or the accumulation of local and national political mandates (Mabileau, 1985). The political capacity and influence of a politician either at the national or at local levels is thus linked to his ability to hold multiple mandates, to control policy making at the local level and have access to decisions and resources at the central level. For long, this very specifically French practice called "*le cumul des mandats*" has enabled both the centre to integrate the peripheries and the peripheries and the representatives of localities to influence national government's policies (Grémion, 1976, Tarrow, 1977). This system of centre-peripheries relations has also triggered epic rivalries between local "*notables*" struggling to obtain the largest political influence at the local and national levels. Even if recent laws have limited the "*cumul des mandats*"¹, the strong link between local and political spheres remains. The large majority of French MPs hold local mandates and still gain their political influence through the consolidation of their local power.

This situation has two main implications. Firstly, when institutional reforms for local and regional governance occur, they are very unlikely to be reforms imposed by a central political class to the local and regional political classes but are also the result of local politicians' influence. Secondly, local and regional governance changes must be understood as the outcomes of political competition and innovation at local and regional levels involving local actors willing to expand their room for manoeuvre and power as much as the products of top-down reforms.

Thus, the move towards local autonomy and decentralisation was gradual and pursued over the years by local and regional political elites prior to the rise of neo-

liberal ideological hegemony and globalisation processes. In the late 1950's and in the 1960's, regional and local socio-economic committee of business, associative and political leaders claimed more autonomy and support for economic development in Alsace and Bretagne for instance. That dynamics gained ground for two reasons : the support of the rising socialist left and the economic crisis in the 1970's which put pressure on the state (Préteceille, 1991, Le Galès, 1993). The 1977 generation of Socialist mayors increased that trend (Mabileau, Sorbets, 1989). Lorrain (1989a, b) has provided the figures showing how as early as the mid 1960's, the most dynamic city councils such as Grenoble or Rennes started to hire more qualified staff and experts within their local government structure, creating for instance urban planning agency. He shows how those pioneers were followed by most city councils in the 1970's and then middle size towns. Progressively, urban local governments could benefit from good staff able to design new policies, to challenge state representatives' expertise and strategies.

When the decentralisation reforms were written in the law in the early 1980's, the major move towards local government in terms of resources and expertise for public policy had already taken place. The left tends to emphasise the role of cities and urban areas, and regions to a lesser extent and to combat departments. The right tends to support departments and regions at the expense of cities. The most formidable political battles took place between national associations of local government (Le Lidec 2002) : Associations des Maires de France, Association des présidents de Conseils Généraux, and lately not very effectively the Association des Présidents de Conseils Régionaux and the Association des Maires des Grandes villes de France, the last being the only one chaired by a Socialist. These groups are permanently engaged in a battle for the transfer of power from the state and to prevent other levels of government to benefit at their expense. This competition between different groups of politicians has proved a major dynamics over time¹.

Regionalist groups from the 1960's onwards and green activists related to social movements are a second group of actors which has consistently argued for more decentralisation. They do not represent a major force and their political weight is

¹ The latest Raffarin's decentralisation reform also reflected the power relations in the newly formed right-wing party, UMP (*Union pour la Majorité Présidentielle*): although the prime minister managed to strengthen the role of the regions in the constitution, he could only do so by giving more resources and powers to the departments and by increasing the role of Senate in local matters. 500 000 elected councillors represent a powerful body.

limited but they play a role in raising those issues in the public debate and bringing in new ideas.

Thus, political competition among local politicians and between centre and peripheries has been a great force shaping the decentralisation process. Decentralisation itself has reinforced internal political competition within a wider European scene because each level of government has a general competence and elaborates a common good for its territory, beyond once almighty state general interest. As a consequence, political competition has aroused between levels in several fields: between communes and départements on welfare provision and road infrastructures, between big cities and regions on planning, economic development or infrastructures.

b) Contradictive pressures from the State

As a result, it is very hazardous to say that the rescaling of the State is a result of an impetus coming from the central State and aiming at adapting the policy-making processes to the new global order and the neo-liberal orthodoxy. Indeed, we cannot speak about a single strategy from central State. The large French central administration is divided by multiple interests and conflicts. The central impetus for decentralisation and rescaling is thus highly ambiguous.

On the one hand, the decentralisation process has been supported by several incentives directed to local and regional authorities for them to adopt pro-active and competitive policies and strict financial discipline principles. For instance, the role of the DATAR (*Délégation à l'Aménagement du Territoire et à l'Action Régionale*), the central agency created in the 1964 by the modernist Gaullist administration to cope with territorial unbalances, has completely changed. Originally in charge of organising the repartition of productive activities throughout the national territory and to rebalance the Paris-province relationship by means of industrial and tertiary decentralisations, the agency has now shifted its strategy towards the fostering of strategic reflections in cities and regions about the development of their competitive advantages. In some way, the new DATAR focus is on the incentive to the building up of pro-growth coalitions around territorial projects in cities and regions.

In a different way, the Ministry of Finances has played a major role to privatize utilities and to combat public deficits and inflation, both of which have had consequences for the room for maneuver of the State and local authorities. It has

increased its capacity of control on local authorities and is setting the parameters under which local leaders are freer to act, providing they respect the rules of the games more precisely enacted by them. Also increasingly powerful *Chambres Régionales des Comptes* have developed a real expertise in the financial control of local authorities' actions. These elements can be interpreted as a tightening up of the fiscal stress on local authorities and an incentive towards policies enabling the leverage of private funds for development projects. Both of these evolutions are signs that the French State is moving from the classic model of "hands on policy" with direct intervention in every departments, to a more strategic and regulatory role, possibly enabling role.

On the other hand though, the French central State and the large State civil service is a stronghold of resistance against decentralisation in the ministry of education, the ministry of infrastructures or the ministry of social affairs. Civil servants unions often see decentralisation as a means to reduce staffs, above all when reforms are elaborated by centre-right governments. Even some elements of the central administrative elites, *les grands corps de l'Etat* proved very reluctant to decentralisation.. Thus, decentralisation is a highly conflictual matter opposing central administrations themselves.

Then, systematically associating decentralisation with a central neo-liberal agenda is very inaccurate in the French context. In terms of public policy for the left, decentralisation has been seen as a way to reorganise the delivery of public policies rather than as a tool for downsizing public intervention. Throughout the 1980's and 1990's, "*territorialisation*" has been seen as the panacea to the fragmentation and the traditional strong departmentalisation of French policy-making. The State initiated a series of "new" public policies (urban policy, new social policies, environment) making "*le territoire*" a vector of integration of different programs and of coordination of social and political groups and actors at the local level (Muller, 1990, Gaudin, 1993, Palier, 1998, Béhar, Estèbe, Epstein, 1998, Borraz, 1999). Empirical work demonstrated that it was not so often the case and that this integration and coherence supposedly given by "*le territoire*" was more often a myth (a mobilising myth though) than a reality (Bachelet, Rangeon, 1996). Nevertheless, the rise of the "territorial approach" has generated modifications in relationships patterns between State's central and field services and between field services themselves.

Globally, the territorialisation of State action tends to favour "software activities" (financial control, local strategy-making facilitation, inter-institutional coordination, grants negotiation) at the expense of "hardware activities" (roads building, services delivering, etc...). Hence, the state still has significant capacities to act, but of a whole different nature than before. It rests more on constitutive policies than on substantive actions. In other words, the state defines rules and procedures, roles and settings, but it does not go into details as to how exactly these shall contribute to a particular purpose: that task is left to local officials. Central government define priorities and procedures to achieve these goals, local actors being left to adopt the necessary means and concrete measures within the framework hereby defined (Duran et Thoenig, 1996), and with a weaker hold on what exactly goes on inside the procedures it has conceived.

The following section, drawing on the case of the relationships between the Région des Pays-de-la-Loire, the département de Loire-Atlantique, the city and the intercommunal institution of Nantes, will try to illustrate the complexity of this set of pressures and competition relationships. We would also like to show in this section that the evolution of the relations between the State and the local authorities and between the local authorities themselves, the development of certain policies, among which production-oriented policies, are the results of a progressive learning by the actors of a brand new context rather than the effect of a cogitated neo-liberal project.

II. State restructuring, regional and local governance in France : the example of Nantes and the region of Pays-de-la-Loire

Nantes is the capital of both the region of Pays-de-la-Loire and the département of Loire-Atlantique in western France. Formerly a declining industrial city located in a rural and relatively poor region, Nantes has become one of the most dynamic French cities, a classic case of revived European city (Le Galès, 2002). With Toulouse, Nantes is the city that has experienced the greatest relative increase of its population between the two last censuses. The population of the city-region reached now 600 000 inhabitants. The metropolitan pole constituted by Nantes and Saint-Nazaire, its seaport, is about 800 000 in a département gathering 1 134 266 inhabitants in a region counting 3 222 061 inhabitants. The case of Nantes illustrates the process of

reconstruction of the inter-institutional relationships between various actors and institutions and notably 1) the rise of both the city-region 2) the coming age of the region and 3) the progressive transformation of the State's field services role. Economic development issues were not that much imposed by the central government. The rise of the local concern for production issues was rather the effect of the discovery of a new context set by decentralisation reforms and the opening of the European Single Market. Production issues proved to be an efficient vector for the building up of a coalition. Thus, the spread of economic development policies can be seen as the result of a collective and progressive institutional learning rather than as a functional response to global pressures or the submission to a central imposition.



Fig. 1: Map of the Pays de la Loire region with its five *départements* and the main cities.

1) The restructuring of the regional political and institutional governance device

At the end of the 1970's, just before the decentralisation reforms, Nantes is a regional capital facing serious economic decline and a profound political crisis within an unexpectedly strong regional level. With the decentralisation reforms, the rise of the territorial competition issue emerged as the result of the progressive retreat of the central State's field services and the late strengthening of a political leadership in Nantes.

At the dawn of the 1970's, Nantes is a city in crisis. Most of the traditional activities that made it the industrial capital of a mainly rural western France, i.e. agro-alimentary industries, mechanical and engineering industries, harbour activities and shipbuilding, are declining. These difficulties generated social unrest in a city characterised by a strong anarcho-unionist tradition and one of the highest rate of striking days in France. The loss of industrial jobs is partly compensated by the creation of services jobs, mainly through the transfer and developing of public services. As a consequence, the social composition of the city changed which reflected in a durable political crisis.

Indeed, the outcome of these socio-economic uncertainties is political instability. Between 1977 and 1989, each municipal election sees Nantes shifting from rightwing to leftwing control. It is not until the election of 1989 that a new leader, the Socialist and still in power Jean-Marc Ayrault managed to stabilise a wide political support among the local population encompassing the decreasing working class, the marginalised ethnic populations of the public housing estates of the outskirts of the city and the large middle classes linked to public and private services sector. Until 1989, the political instability and the high level of political conflictuality contributed to weaken the capacity of Nantes City Council to launch ambitious policies.

This political instability is aggravated by strong institutional fragmentation. Despite being the most populated commune in its conurbation, the municipality of Nantes is surrounded by large suburban communes representing a strong political weight. The agglomeration is characterised by several conflicts, opposing Nantes to its larger neighbouring communes, rightwing controlled communes to leftwing communes, but also conflicts opposing politicians inside the two camps. This was not in favour of an institutional amalgamation or a strong cooperation device between communes. In 1967, in order to prevent the imposition by the central State of a *communauté urbaine*, André Morice, the centre-right mayor of Nantes created with 36 other RTN Urbeurope

communes of the city-region the *Association Communautaire de la Région Nantaise* (ACRN), an informal structure enabling discussion between the mayors but without specific competences. In 1982, a multi-purpose syndicate was created but it is not before 1992 that an *ad hoc* intercommunal cooperation structure raising its own tax was created and chaired by Jean-Marc Ayrault.

a) The initial domination of State field services and the regional level

In this context of local institutional fragmentation, the State field services, and, unexpectedly, the region took the future of the region and its capital in charge. In the 1960's and until the decentralisation law, the grip of the State on local political and economic life is expanding. In 1965, the port authorities of Nantes and Saint-Nazaire are nationalised and gathered in a new unique body controlled by the agents of the Ministry of infrastructures. In 1966, the DATAR designated Nantes as one of seven "*métropoles d'équilibre*", those cities that must be privileged by private and public investments in order to counterbalance the economic weight of the Parisian region. As a consequence, a new agency, the *Organisme régional d'étude et d'aménagement de la métropole*, is created by the State to elaborate the master plan of the Nantes-Saint-Nazaire metropolis. In 1970, a commissary for the industrialisation of the western regions of France is installed and some important industrial investments are directed towards to region of the Loire estuary.

If the power of the State's field bureaucracies dramatically reinforced in the 1960's and 1970's, it has been partly relayed by the regional structure. Surprisingly and despite its lack of any political legitimacy, the regional level has played very soon a great role in public policies for the region in general and in the policies for the city-region of Nantes in particular. From its creation in 1972, the *Etablissement public des Pays-de-la-Loire* has been chaired by Olivier Guichard, a major national Gaullist politicians for decades. Thus, through their interactions, the State's regional apparatus and the regional bodies are reinforcing their grip on the region because of the presence at its head of a "*grand notable*", holding multiple offices and able to capture resources at the central level.

This unusual regional domination relegated the département level and Nantes city council to a subaltern and dominated status.

b) The slow but decisive rise of intercommunal structures

This situation of an unusual domination of the regional level strongly linked with State's field services started to change after the decentralisation law of 1982 and, more decisively after the 1989 election of Jean-Marc Ayrault as the mayor of Nantes. The successive changes of political control of Nantes' council slightly delayed the rise of a strong urban government. But with the election of the new mayor in 1989, the process of emergence of a city-region political level accelerated and a rebalance between the regional and the urban political levels occurred.

The acceleration of the institutionalisation process of a strong urban government is first due to the leadership skills of the new mayor. In a turbulent political context, the moderate socialist Jean-Marc Ayrault was conscious that he had first to stabilise his personal influence and networks and to pacify inter-institutional relationships. He managed first to stabilise good working relationships with the right-wing controlled *Conseil Général de Loire-Atlantique* and *Conseil Régional des Pays-de-la-Loire* perpetuating common projects such as the development of the Nantes' science park, *Atlanpole*, and the development of strong pole of engineering universities, launched under the previous right-wing majority. Ayrault knew that Nantes could only benefit of a good cooperation with the region's chair, Olivier Guichard, who kept on promoting the regional capital throughout his mandate.

At the city-region level, Ayrault is aware that Nantes can only develop ambitions through the building up of a strong intercommunal institution. He is also convinced that this can occur only through the development of equal and cooperative relationships between the mayors of the communes. The development of the tramway networks has thus been a very efficient tool to secure regular cooperation, forge an intercommunal vision and identity and finally reach the more integrated level of intercommunal cooperation device (Pinson, 1998). Indeed, in 2002, the *Communauté urbaine de Nantes* is created. This has been achieved through a long cooperation and negotiation process enabling to articulate the communal identity with the new intercommunal identity. If the creation of the *communauté urbaine* has been favoured by the 1999 Chevènement Act, it is also important not to underestimate the importance of the horizontal political bargaining and of the collective urban policy making in the forging of a new collective identity.

The emergence of this new city-region collective identity has also been favoured by the gradual withdrawal of the State's field services from urban policy-making, or at RTN Urbeurope

least the reconfiguration of their role. Indeed, in the new context characterised by the decentralisation laws and the fiscal crisis, the State is decreasingly able and legitimate to impose any policy content to urban policymaking. Thus, the 1980's and the 1990's represented a period when local politicians experienced a brand new context where State's mediation and resources are less and less central and where local authorities were constrained to interact, articulate their own resources and elaborate collective urban policies.

At the end of the day, Nantes is quite representative of what happened in many French urban and regional contexts. The gradual retreat of State mediations compelled local and regional authorities to cope directly with problems, to constitute expertise, build up bureaucracies and stabilise cooperation links between them. In this process, two winning institutions emerged: metropolitan governments (intercommunal) and regional government. The rise of strong intercommunal structures and the affirmation of the regional level is certainly the result of central incentives. But it is also the outcome of a collective learning process in which local politicians discovered a more uncertain environment, the interdependencies that linked them to each other and the new weight of territorial competition and the resulting need for more cooperation at the city-region level.

2) Production-oriented policies as vectors of institutional reconfiguration

The same process of gradual collective learning was at the origin of the development of production-oriented policies legitimised by the making of Europe and the pressure of economic globalisation, in an indirect way. Those new conditions favoured local mobilisations in which economic actors and institutions played a great role. Progressively, development issues became a common concern and a strong vector for the consolidation of inter-institutional coalitions.

a) the initial impetus of the Nantes' Chamber of Commerce

The first large mobilisation in favour of pro-growth policies appeared in 1987 when the president of the port authority and chair of a local elites' club, started the idea of the construction of an International Business Centre on the site of the former shipyards. The project failed but raised the issue of the city positioning in an increasingly integrated European economic space. Afterwards, through the publication in 1989 of a strategic document, the Chamber of Commerce of Nantes tried to develop the awareness among local elites of the increasing territorial competition that should trigger the opening of the Single European Market in 1993. It also pointed some of the weaknesses of the local economy: the low level of added-value of the local industries, the lack of essential business services, the low profile of the local university and research structures. More interestingly, the Chamber called for the local institutions to act as a team in order to provide to the city-region necessary infrastructures and attract inward private and State investments. To provide an example, the Chamber of Commerce and Industry of Nantes and Saint-Nazaire merged to create the *Groupement Interconsulaire de Loire-Atlantique*.

The document and the Chamber's call for an inter-institutional mobilisation in favour of local development have proved decisive in the following years. During the 1990's, Nantes city council slowly recovered from a decade of political turmoil and gradually equipped with an expertise and technical capacity in terms of economic development. An economic development agency, *Nantes Atlantic Development*, is created at the beginning of the 1990's. It will then become an intercommunal agency with the creation of the *communauté urbaine*. Another initiative of the mayor of RTN Urbeurope

Nantes' team also helped local actors and institutions to build up and share an integrated vision of the local economy, namely the elaboration of a strategic plan before the municipal elections of 1995, the *Projet 2005*.

Then, throughout the 1990's, a constant cooperation relationship has developed between Nantes, Saint-Nazaire, the département and the region around development issues. Nantes' city region acquired a collective voice to negotiating with the State and other tiers. This collective capacity has proved effective to attract inward investments and new engineering universities in Nantes.

b) The ambiguous support from the State

The case of Nantes shows clearly the ambiguity of the central State and its field services vis-à-vis the development of production-oriented policies. In Nantes, like in other French cities, the State revealed its internal diversity and the difficulties of its various services and ministries to adapt to the new post-decentralisation context.

Some fragments of the local State strongly resisted the emergence of local development policies. For instance the field services of the Ministry of Infrastructures resisted to the construction of the tramway network and the building-up of an integrated transportation policy at the city-region scale. The Nantes-Saint-Nazaire Port Authority, also controlled by the Ministry of Infrastructures, proved as much reluctant to the development of an integrated economic development policy at the city-region level. In the early 1990's the port authority announced unilaterally its intention to extend its oil and gas management facilities in Saint-Nazaire on a very ecologically sensible land. The episode triggered a conflict with the regional and local authorities and illustrated to which extent the port authority was still acting as an extraterritorial bureaucratic entity, managing flux with little regard to their impact on the local economy. But in some way, this last episode was also a turning point.

During the 1990's, the strategy of the State field services gradually changed from opposition to ambiguous support. This change proves that State's services needed as much time to learn how to act in the post-decentralisation context as the local authorities themselves. The regional prefecture (heart of state apparatus in the region) led this strategy shift. It explicitly conceives the role of the local and regional state as a role of "notary", sensibilising local actors to a limited number of the State's priorities on the local territory but above all providing the institutional scenes for the

building up of agreements between local actors (Duran, Thoenig, 1996; Lascoumes, Le Bourhis, 1998)....far away from the heroic interventions of the Jacobin state !. Even the more reluctant fractions of the local State, such as the field services of the Ministry of the infrastructures, are increasingly converting to this kind of activities.

As a result of those dynamics, strong intercommunal structures have emerged in Nantes metropolitan area dealing with strategic competences such as economic development, urban planning and land use regulation, urban transportation systems, housing, environment and waste disposal and that will directly negotiate with the State the amount of grants they will get through a new procedure, the *Contrat d'agglomération*, bypassing the regional level of negotiation.

Stable forms of inter-institutional cooperation have also been settled between the three levels of governments. Economic development issues proved crucial making of these cooperation routines. Conflicts with State's representatives were essential moments of the building-up of a common pro-growth agenda. This shared agenda is illustrated by the common lobbying for the construction of a new international airport in the northern periphery of Nantes and the improvement of rail networks, the common support to the extension of the harbour facilities and the large urban project planned by Nantes on a large island located on the Loire (the *Ile de Nantes* project).

Nevertheless, this pro-growth common agenda has not been imposed by the central State and its field services. Its progressive emergence is rather the outcome of a gradual learning of how to act and behave in the new context that progressively emerged after the decentralisation.

Throughout the years following the decentralisation reforms, it gradually became clear to the local actors that the central government was less and less bearer of a substantive development project for the city-region and provider of resources, that large cities were confronted to new challenges by the opening of the Single Market and that all these evolutions were calling for new policies, new strategies and new behaviours. This new context was slowly discovered through conflicts with the State's services, through repeated occasions of prospective visioning and gave rise to more cooperative behaviours on the behalf of local politicians. It does not mean that political competitions and institutional rivalries have disappeared but that they are

increasingly articulated with more a more acute perception of interdependences and more cooperative behaviour. Mayors of peripheral communes became increasingly aware that the city-region should be reinforced as a collective actor in order to survive in a more competitive European context; the regional politicians recognised that it would need a large and competitive metropolis to become an attractive area; the core cities' actors became conscious that an inter-institutional lobbying were more efficient to attract inward investments. And globally, local politicians know that they will be taken accountable of the general welfare of their communities and that the "national State umbrella" is an increasingly weak protection against the challenges of globalisation and European integration (Duran, 1999).

The case of Nantes illustrates these evolutions. Economic development issues have effectively penetrated the local agenda. But this is rather the outcome of a slow process of adaptation of the local agendas and of the local elites practices to a set of various new contextual conditions than the result of a top-down reorganisation of the local agenda around growth issues and neo-liberal recipes orchestrated by central administrations. Different evolutions have triggered this process of collective institutional learning. The first one has seen the central government progressively cease to be the mastermind and organizer of the economic development of the cities and the regions. The State still provides procedures to build up collective strategies but it is not able and willing anymore to impose orientations for economic development (Duran, Thoenig, 1996 ; Béhar, Estèbe, 1999). Faced to this new deal, local actors and institutions have had to develop an expertise in economic development of which they were deprived of in the beginning of the 1980's.. The second evolution is the opening of the European Single Market and the development of the European Commission structural funds policy. The years before the first event have seen the multiplication of studies and reports urging the development of positioning strategies by cities and regions (Pinson, Vion, 2000). The document published by the Chamber of Commerce of Nantes is a response to those pressures. Then, when bidding for structural funds, local authorities have has to demonstrate their ability to build up integrated and shared economic development strategies. The third element that has influenced the shifts in local agendas is the growing awareness of the local-global nexus, i.e. the implications of the globalisation for territories in terms of threats but also of opportunities (Amin, Thrift, 1994 ; Veltz, 1994 ; Savy, Veltz, 1995). In the Nantes' case, this awareness has essentially been

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triggered by the activism of the Chamber of Commerce and few other local economic personalities. This has been followed by the progressive identification of comparative advantages of the city-region in terms of economic assets (competitive shipyards, wood engineering, harbour activities, biotechnologies) but also in terms of social, environmental and cultural assets (preserved environment, presence of rivers and seashores, vibrant cultural activities and urban quality of life).

3) The remaining weight of welfare and social exclusion issues and the limits of civic boosterism

The result of decentralisation and the partial retreat of the State's from local affairs is that local elected officials are increasingly held accountable for the global welfare of the territory they represent. If the reform was not aimed essentially at fostering pro-growth strategies, it has nevertheless placed the local politicians in the frontline for the creation of jobs in localities. But they also have to ensure the conditions of social cohesion on these territories (Le Galès, 1995, Kübler, Wälti, 2001).

That's an essential element to bear in mind. With the partial retreat of the central State as the great integrating agent of local societies, local officials have inherited this role. They must articulate concern for growth and concerns for social integration. As a consequence, the development of pro-growth policies has not systematically turned welfare concerns and provision to residual matters in local and regional agendas. The local elected officials are not held accountable only on production issues but also on consumption and welfare issues. In the case of Nantes, the city council has made a lot of efforts to regenerate the peripheral social estates boroughs and to link them to the city centre by the development of the tramway network. Then, social policies have clearly become a competition stake between largest cities and the *département* that still manages considerable amount of money dedicated to social interventions.

There is thus clear limits to the expansion of univocal pro-growth and civic boosterism dynamics in French cities since social issues are still central. In spite of the crisis of representative democracy that affects cities and the increasing gap that separates elected officials from citizens (Gabriel, Hoffmann-Martinot, 1999), local politicians still spend a lot of time securing electoral support among social groups in the city at the risk of clientelism. That implies that policies such as production of

services, provision of houses, infrastructures and sometimes jobs) still remain important at the urban level and prevent the agendas from drifting towards pro-growth elitist priorities. Then, it has been argued elsewhere (Harding and Le Galès, 1995 ; Stoker, Mossberger, 1994) that the local fiscal system in European countries make the rise of pro-growth machines and production-centred agendas less likely than in the US. France makes no exception. In regional capitals, a large part of the households' revenue is constituted of social transfers and civil servants salaries making the urge for local boosterism less obvious. Lastly, local business communities are usually loosely organised at the local level in France and political actors frequently dominate economic ones. The case of Nantes illustrates this point again. If the economic actors and their representation institution, the Chamber of commerce, were able to take a leading role on development issues, it was only for a transitory period characterised by the crisis of the municipal institutions. Afterwards, the political actors have taken this leading role back. Today, in Nantes, the *communauté urbaine* concentrates the large majority of expertise and resources to shape and implement development strategies.

Conclusion

It appears quite clearly that recent macro dynamics such as globalisation, the transformation of productive system, the rise of supranational political entities and the recomposition of the State have had a strong influence on phenomenon that have touched a large part of the western countries: processes of devolution, decentralisation and even federalisation. Researches inspired by the neo-marxist (Brenner, 2000; Pickvance, Préteceille, 1991), the Regulation School (Boyer, Saillard, 1995) and new political economy (Amin, 1994; Jessop, 2000) or even post-modernity (Harvey, 1989 a,b) approaches have had the great merit to establish links between these various phenomena and to make sense of the rescaling of the State. Most of them are establishing a causal link between changes occurred in the economic infrastructure, on one hand, and the rescaling of the State on the other hand, and tend therefore to assimilate the development of local economic policies as a functional response to new economic requisites. Some of these works are also attributing to neo-liberal ideology the role of the agency in these changes.

There is no doubt that the global phenomenon listed above have played a great role in the current trend towards decentralisation and these theories have been really precious to decrypt this phenomenon and escape to the sociological naivety of an approach that would isolate decentralisation and devolution trends from global forces. Nevertheless, it is also important not to stretch a good idea too far and to afford agency to a diversified set of actors and dynamics in this process of devolution. The French case shows clearly that there have been a development of production oriented-agendas in regions and cities but it also shows that this trend is the outcome of a variety of influences and strategies, in which the local actors are not the less active group. Moreover, the French case shows that the generalisation of local economic development policies has not been exclusive of the rise of concerns for social issues and the building up of local responses to social exclusion.

All this tends to show that we need a theory and a research framework that would enable us to articulate a legitimate concern for the impact of infrastructural and ideological changes and pressures on local politics and politics, on one hand, and an as much legitimate concern for the differentiation of national and local institutional and political responses to these pressures. It seems to us that the research program of the political sociology of governance devices and processes could help us to understand and document how global pressures and national and local responses are interacting to provide an increasingly diversified set of governance arrangements from a city, a region and a State to another.

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Notes:

¹ It is now limited to two offices; it is also now impossible to cumulate two executive positions in local authorities.