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London and Paris

The rivals

Two great cities are about to hold mayoral elections. Which has the brighter future?

Mar 13th 2008 | london and paris | From the print edition

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WHEN running for president of France last year, Nicolas Sarkozy made an unusual campaign stop: London. Speaking in a converted fish market, before a rapt crowd of French expatriates, he called Britain's capital "one of the biggest French cities". It had, he went on, the "vitality that Paris so badly needs".

The French and British capitals are linked as never before. Since the opening of Britain's first high-speed rail link last November, arriving into beautifully restored St Pancras, only two-and-a-quarter hours separate the two. An estimated 200,000 French people now live in London, serving coffee or trading derivatives; waiting lists groan at the Lycée Français in South Kensington. The British population in Paris, far smaller, still numbers some 22,000.

The two cities fought fiercely to host the 2012 Olympic games, until—to Paris's consternation—London won. That victory still rankles on the banks of the Seine. Both capitals also happen to be run by left-wing mayors, the Socialist Party's Bertrand Delanoë in Paris and Labour's Ken Livingstone in London, whose mandates are about to expire. Voters in each city are heading to the mayoral polls in Paris on March 16th and in London on May 1st.

Londoners and Parisians alike will not simply cast their votes on local grounds. In Paris, voters are partly seizing the chance to snub Mr Sarkozy, whose poll ratings have slumped. Against a lacklustre rival on the right, Françoise de Panafieu, the popular Mr Delanoë looks likely to secure a second term, which would be a spectacular victory in a city considered for decades a stronghold of the Gaullist right. In London, voters could decide to send an electoral message to Gordon Brown, the British prime minister, and will be able to test the new-look Conservatives. The outspoken Mr Livingstone, whose team has been dogged by charges of cronyism, is challenged on the right by Boris Johnson, a mop-haired former journalist and Conservative MP, and in the centre by Brian Paddick, a Liberal Democrat and former police chief.

The jobs at stake are not exactly the same. The Paris mayor does not govern the *banlieues*, and runs a city numbering just 2.3m people (fewer than the 2.9m in inner London). His London counterpart is in charge of fully 7.4m people, more comparable to the 6.4m who live in Paris and the three departments encircling it combined. The Paris mayor, however, has broader powers: while both cities' mayors are responsible for planning and transport, the Paris town hall also runs social housing and primary schools, for example. This gives Paris's mayor a

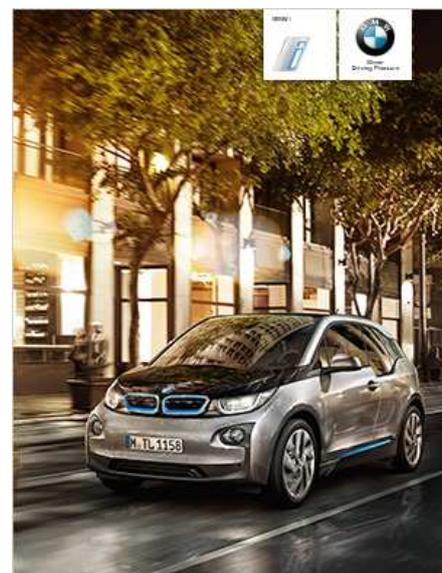
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relatively bigger budget: €7.6 billion next to London's €14 billion (£10.7 billion).

All the same, candidates of every stripe in both Paris and London are campaigning on remarkably similar promises: to make housing affordable, to lower CO₂ emissions, to discourage the use of cars, to green the city; and to burnish the image they want to project to the rest of the world. For Paris and London these days are also fierce competitors: for investment, besides the more intangible qualities of inventiveness and style that make a "world city" in the global mind.



From the balcony on the top floor of the London mayor's lopsided plate-glass office on the south bank of the Thames, the din is deafening. Nine floors below, diggers and drills are ripping into the earth and cement-mixers are churning. The most arresting feature of the London skyline these days is not the new architectural landmarks—the Gherkin, Tate Modern, City Hall—but the staggering number of cranes. In the centre of Paris, there are none.

By most economic tests, London outstrips Paris. Its stock exchange, by market capitalisation, is two-and-a-half times larger. It is the world's biggest market for global foreign exchange, over-the-counter derivatives and international bonds. As a destination for the funds of foreign investors, it is consistently rated the top city in Europe in annual surveys by Cushman & Wakefield, a property-services firm. Between 2002 and 2006, London grabbed 24% of foreign direct investment in Europe's 15 biggest cities, compared with 19% across the Greater Paris region, according to a study by Ernst & Young, an accounting firm. Londoners are also better off than those living in Greater Paris: even when adjusted for purchasing power, they are on average 8% richer per head.

In haute cuisine, as in haute couture, Paris may still triumph. It boasts, for instance, nine three-star Michelin restaurants; London has one. But the French capital has been slower to embrace the more informal gastronomic culture, where a three-tier cheese trolley is not necessarily a badge of excellence. Over the past few years, London has spawned a giddy mix of new restaurants and bars, as well as internet start-ups, design studios and art galleries. Inner London's growing population, boosted by immigration, is set to swell by at least 17% by 2026. While its suburbs keep growing, the population of Paris, by contrast, is expected to drop by 3% by 2030 according to INSEE, the official statistics body. French publications feature such titles as "Paris is falling asleep" and "Is Paris dying?"

Indeed, officials at London's City Hall bristle at the idea that the two cities can be compared. "We don't think of ourselves as in competition with Paris," sniffs John Ross, Mr Livingstone's economic adviser. "We've won that contest. We measure ourselves against New York."

Managing chaos

Yet as recently as 1992, when the Maastricht treaty to launch the euro was signed, bankers in London were fretting about losing out to the financial centres within the future euro zone, notably Paris and Frankfurt. Back then, the pre-eminence of the British capital was far from assured. At the time, Jack Lang was the cool, polo-necked French Socialist culture minister, rejuvenating Paris with glass and steel, while his British equivalent was in charge of something stuffily called the "Department for National Heritage". London's streets were gridlocked, its riverside was drab, its food inedible and coffee undrinkable. What went right for the city?

A number of things. First, Big Bang, the deregulation of the financial-services sector in 1986, propelled foreign investment into the City of London (though the markets were rocky in some subsequent years). The Labour government elected in 1997 kept the city attractive with stable economic management and with corporate and income taxes that

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were low, at least by French standards—though these are set to rise for non-domiciled residents. And it cared about the image of the capital, too. The Labour government not only spent freely on the arts, but also abandoned its resistance to using private sponsorship to build new galleries and museums. In doing so, it helped to shrug off a British indifference towards the look of London. Daring modern architecture proclaimed that this was a true world city.

Perhaps most important, the city has adopted a guiding creed that belongs neither to the political left nor the right: openness to change. “London has flourished not because it has sorted out its transport, or its city management, but because it opened its borders,” argues Tony Travers, director of the Greater London Group at the London School of Economics. These days, there is nothing particularly British about London, bar its tolerance of chaos. It has embraced globalisation to become an international city, while Paris has remained unapologetically French.

Nearly 700,000 extra foreign-born people have made London their home since 1997, bringing the capital's total foreign-born population to over 30%. Not counting illegals, Paris has fewer foreigners (about 14%) and, crucially, it is the more educated ones, whether from India or Poland, who head for London. (In total, Britain has attracted more skilled and professional immigrants: 35% of them have a college education, according to a recent OECD study, against just 18% in France.) The energetic renovation of newly fashionable districts such as Hoxton and Shoreditch is not only spurred by sky-high property prices elsewhere; it also owes something to the friction and renewal of London's messy, cosmopolitan mix. “Creative types don't want bourgeois homogeneity,” says Mr Travers. “They want edginess, and space to grow.”

The Sleeping Beauty

Until recently, two vast competing public renovation projects in Paris stared squarely at each other across the Avenue Winston Churchill, in the capital's smart 8th *arrondissement*. On one side, workers were busy restoring the 14,900-square-metre glass-domed roof of the Grand Palais, built for the Universal Exhibition in 1900. Opposite, restorers were at work on the scaffolding-clad Petit Palais. Each project was wrapped in a large billboard. “The state is restoring the Grand Palais,” read the first; “The Paris town hall is restoring the Petit Palais,” retorted the second. In their proud and rival aspirations to maintain the city's cultural heritage, these two signs seemed to make a firm statement: that historic Paris is worth investing in, and that the public purse is the way to do it.

Arguably, if London these days is marked by innovation, Paris favours preservation. While London seems to be stressing its desire for change with its new—and often controversial—architectural projects, the City of Light appears more concerned with scrubbing up what it already has. And to stunning effect: the buildings, boulevards and bridges of central Paris gleam. Fleets of cleaning vehicles brush and rinse its surfaces, day and night; floodlit monuments light up a magical night sky.

Yet this fondness for its intrinsic elegance seems to have bred a form of conservatism. “In terms of urban planning, Paris has been half-asleep,” says Thierry Jacquillat, head of Paris-Île-de-France Capitale Economique, a lobbying group. “Through its avant-garde architecture, London has an image of dynamism that does not exist in Paris.”

To some of its residents, this is a relief. Apart from La Défense, the business district to the west of Paris, which is due to get a new series of designer skyscrapers in the coming years, the capital has always resisted, for instance, the construction of high towers—much to the frustration of Mr Delanoë, who would like to plant some on the periphery. Indeed, an extraordinary collection of early colour photographs from 1907 onwards, currently on display at the Paris town hall, is a reminder of just how little the

The bragging list		
	London	Paris
Population under mayor's remit, m	7.4	2.3
Prime office rent, € per sq m per year	2,277	1,035
Number of top ten world football clubs by revenue, 2006-07	2	0
Number of 3-starred restaurants, 2008	1	9
Average speed of traffic in central city, kmph	12.9	15.9
Price of single-zone 1-2 metro ticket, €	peak: 8.24	1.50
	peak: 6.28	1.50
Number of world's top 20 tourist attractions	1	5

Sources: National statistical offices; Thomson Datastream; Cushman & Wakefield; Deloitte; Michelin; Transport for London; Forbes Traveller

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city—from its Art Nouveau metro signs to its corner café-bars—has changed physically since then.

In part, this conservatism fits a French tradition. A strong state has long attempted to defend the French way of life. All the capital's tiny *boulangeries*, selling freshly baked baguettes in twists or knots, or *papeteries* with their watermarked writing paper in ribbon-wrapped leather boxes, are kept in business partly by custom and taste. But they are also deliberately propped up by a tightly regulated retail industry, under which hypermarkets are not allowed to sell below cost. Successive governments, too—including the current one—have caved in to the militant taxi lobby, and have not dared to increase the number of licences. This keeps the taxi drivers quiet, but makes it almost impossible to hail a cab on the street.

To be sure, it is easier to innovate when there is less to preserve. London's restaurant pioneers had no gastronomic tradition to uphold. London can afford to be bold with its architecture, since its riverside skyline has none of the unbroken elegance of that of Paris. When the French capital has in the past been audacious, as when François Mitterrand commissioned I.M. Pei to build a glass pyramid in the courtyard of the Louvre, it prompted a local outcry. Many of the subsequent *grands projets*—the Grande Arche at La Défense, or the National Library of France—were pushed out to more peripheral sites.

Nor is it fair to say that Paris has stayed still. "Paris as a museum city is a caricature," retorts Mr Delanoë. "The city needs to respect its heritage, but also add to it for the future." He points to Paris Rive Gauche, a modernist redevelopment on the left bank in eastern Paris, complete with a looping pedestrian "Simone de Beauvoir" bridge across the Seine. His Vélib rent-a-bikes, available at 1,450 street corners across the capital, have been a huge hit. Along with a new tramway, widened bus routes and pedestrianised weekend *quai*-side roads, Mr Delanoë's Paris in many ways captured the ecological mood before it became fashionable.

All the same, as Mr Sarkozy has lamented, Paris seems to lack London's dynamism. Marc Levy, a French novelist who has chosen to make London his home, argues that the conservative attitude towards planning and architecture has a direct effect on creative life. "Paris doesn't take risks, it lacks audacity," he says. "How can you create a desire to innovate when the ambient culture is oriented towards preservation?"

The price of audacity

London's more chaotic, laissez-faire approach, however, has its downside. It has become a city of excess, in all senses. Its economy is more reliant than Paris's on financial services, a sector prone to global swings such as the current credit crunch. This makes London's property market more volatile, too. Commercial office rents in London's West End are currently the most expensive in the world, according to Cushman & Wakefield: more than twice as much per square metre as those in Paris. Both London and Paris have been favourite destinations for investors in European commercial property, but this year faster-growing Moscow and Istanbul are supplanting them, according to a new study by the Urban Land Institute and PricewaterhouseCoopers. London may breed more start-ups, but also plenty of fold-downs; almost as many restaurants seem to close their doors as open each year.

For residents, too, London has become a victim of its own success. When rents and food prices are taken into account, it is the world's most expensive city, according to a study by UBS: beating New York and way ahead of Paris, in 11th place. High property values price first-time buyers out of the market, besides crowding out other topics of dinner-table conversation. Londoners are more worried now about housing costs than anything else, according to a recent survey by the mayor's office.

London has also consistently failed to plan for its expansion. The creation of the post of mayor in 2000, and Mr Livingstone's election to the job, helped temporarily to ease jams on the roads thanks to a congestion charge and a big investment in buses. The improvements, however, have been short-lived. The Underground's modernisation project has been a shambles, its financing a fiasco. After decades of wrangling, there is

agreement at last on a fast underground Crossrail linking suburbs west and east, but this will not be open until 2017 at the earliest and the cost has spiralled. (By contrast, Paris has for years enjoyed a network of five RER rapid cross-city underground lines.) Heathrow airport is a torture-chamber, and the opening of its new Terminal 5 is unlikely to make much difference.

London's public hospitals, doctors' surgeries and state schools are creaking; its private alternatives are reserved for the rich. The capital as a whole may be thriving, but it still has its share of poverty, underlined by a wave of stabbings and shootings of teenagers in poor areas. Indeed, Mr Livingstone argues that the chief reason he wanted to host the Olympic games was not because of the sport, but in order to secure central-government money for the regeneration of the city's run-down eastern fringes.

Yet Paris, for all its interventionism, has not managed to shelter its own people from poverty. Over the past ten years, rental costs have shot up. Many middle-class families have fled to the cheaper suburbs, leaving an increasingly polarised population in the centre: the rich in the *beaux quartiers*, and the heavily African poor in the north-eastern neighbourhoods. Students may still occasionally riot at the Sorbonne, but none of them can afford to live near it these days. Above all, Paris is cut off administratively from its heavily Muslim *banlieues*, the scene of three weeks of rioting in 2005. There, on some housing estates, unemployment touches 50%, over five times the national average. Mr Delanoë's remit stops at the ring-road, the *périphérique*. Beyond it, each suburb is governed by its own mayor: a staggering 1,281 of them across the Île-de-France.

Swallowing the suburbs

The administrative split carries an unhelpful symbolism. "We're from 9-3," is an often-heard refrain on the housing estates of Seine-Saint-Denis, the northern *banlieue* with that postcode, "not from Paris." The fragmented power structure also holds up decision-making, not least in endless political wrangling between left and right. François Pinault, a business magnate, got so frustrated by political bickering when he tried to build a modern-art museum on the outskirts of Paris that he took his collection to Venice instead.

Politicians are beginning to come round to the idea of a unified city-plus-suburbs structure for Paris. Once this month's elections are over, Mr Sarkozy, on the centre-right, says he wants to create a "Greater Paris". Mr Delanoë, on the left, talks too of a "Paris Metropole". Whether they can get over their political differences remains to be seen. As it is, the right accuses the left of wanting to annex the suburbs; those in posh districts, like Neuilly, fear that the city just wants to grab their tax revenues. But the creation of a Greater Paris could well turn out to be a way both to get Paris to reach out to its *banlieues*, and to give the city a more innovative look outside its historic districts.

As for London, with bonuses, profits and jobs now on the line in the City, the ambience is more morose than it has been for years. Yet the city of excess has been through slumps before, and bounced back. In many ways, its bigger challenge is to cater to those who do not benefit from boomtime, and to manage the inequalities that the city has always bred. One test of this will be how it uses the Olympics, regarded coolly by many of the city's richer western residents, to revive eastern districts for their locals. Sprawling, crowded, hectic, serendipitous: like it or not, London as a whole seems to be kept going by a form of raw energy. And after all, to misquote Samuel Johnson, "When a man is tired of London, he can always go and have a three-star meal in Paris."

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