

# **The role of cluster policies in Economic development policies in France**

Paulette Pommier

- I.** How our policy started
- II.** What was decided?
- III.** First lessons of 3 years of policy
- IV.** New steps

## **Introduction**

When Jean-Louis GUIGOU attended the TCI second conference in Varese, two years ago, he explained from his point of view why we have three words for similar realities: clusters, industrial districts and Local Productive Systems. It referred to deep differences in cultural and institutional systems in countries like the USA, Italy or France.

In the same way, I will begin my presentation – just a few words – with some considerations about France and the particular moment when a cluster policy was started.

### **I. When was our cluster policy decided and in which environment did it start?**

1.1 – France is known as a quite centralised country. The State had in the past tremendous power; the creation and the missions given to the Delegation for Spatial Planning and Territorial Action (Datar) in 1963 show this. Indeed, the Datar was created to limit the natural tendency to concentrate activities in the Paris region. The project was to distribute activities to the less attractive regions. Its bases are strong republican principles of equality. At that time, the State could be interventionist.

1.2 – The environment changed in the 1980-1990, with globalisation

- First, the State capacity to interfere on the economy decreased both for economical and legal reasons (due to common market).
- Second, it appeared to be more obvious that proximity territories and local players could play a key role in economic development. Local organisations may furthermore be more important than infrastructures.
  - Thus, the local territory became, little by little, the core of the Datar strategy. It should be defined as a local space appropriated by local players sharing common projects and a past history
  - The local territory is today personalised; we speak of a “hot blood being” as opposed to space, a “cold blood being”.
  - This philosophy conduces us to talk about recomposing territories with the association of the three “E” (“*entreprises, élus, Etat*” or firms, elected officials and the State) and new forms of democracy.

1.3 – The actual government, headed by Lionel Jospin, decided to initiate different policies based on those principles (developed in a law voted in 1999). One, in particular, was decided on cluster on clusters in 1997. Different ministries were associated in a steering committee in which participated also private and public experts working on economic and social affairs.

## II. What was decided?

### 1.1 – A call for projects with a budget of over 3 million US \$

- a) The method was not directive: we had doubts about the reality of cluster organisation and about the interest for the concept in France (because French entrepreneurs are very individualistic).
- b) Nonetheless, the project selection criteria gave a definition of a Local Productive System (LPS), as a local agglomeration of specialised firms / SMEs. To submit to this open call, a structure representing the cluster had to present a program of initiatives to strengthen the linkage between firms and local actors.
- c) The purposes of this call for project were to:
  - Have a confirmation or information of the reality and interest for LPS organisation in France.
  - Develop more co-operative types of behaviour.
  - Identify potential clusters.

2.2 – A work of identification was launched at the same time: Paris and its surrounding excepted, 200 significant agglomerations of enterprises were identified.

2.3 – A hundred projects were selected and supported by the Datar and other ministries

- 96 projects
- Projects varying by their size
- Diverse sectors

2.4 – Communication

- Many conferences (at local, national and international levels) had been organised.
- An international e-letter called “LPS Info” was launched in 2000 (you can receive it by sending an e-mail to [splinfo@wanadoo.fr](mailto:splinfo@wanadoo.fr)).
- Articles on clusters and interviews of entrepreneurs
- Many visits to clusters
- Others

2.5 – Research studies

## III. Main lessons, three years after the French pro-cluster policy started

### 3.1 – The concept of LPS is now well diffused

Both the institutional actors (like chambers of commerce, local development agencies) and entrepreneurs recognise its usefulness.

Clusters appear as a new way for regional and local development, and not only for the richer territories and the ones with more capacity to grow - like cities - but also for rural regions with apparently less optimistic perspectives. Clusters appear also as a new way to produce. “The policy arrived at the right time”.

### 3.2 – The evaluation shows a large variety of co-operation initiatives :

- in the field of promotion, commercial activities, investment, training, research and development, etc.

We observe also that some activities are more relevant than others for clusterisation. Two examples of activities that have a low propensity to concentrate are packaging and plastic work. They often agglomerate with other activities.

### 3.3 – What about quantitative indicators?

We tried to measure 3 indicators:

- the employment trend
- the unemployment rate
- the turnover

### 3.4 – Improvement of our typology of clusters used for research:

- industrial district
- emergent LPS (or clusters)
- technological districts
- clusters organised around big firms

## **IV. What are the new steps for the next months or years?**

4.1 – In 2001, the pro-cluster policy will go on with new budget under the responsibility of an inter-ministerial committee.

- The new projects will be supported at the regional levels
  
- But for innovated actions, a budget of 3 millions \$ was accorded at the national level.
  - International links
  - Training
  - Financing common investments

The projects aimed to build international links between clusters have already begun. For instance, a group of enterprises of Roubaix (North of France) just flew to Madagascar in order to identify new economic partners.

4.2 – The idea is to work more closely with the European Union, specially for the projects of international linkage: work with transition countries and with less developed countries.

4.3 –The new agency for international investment is scheduled to communicate on clusters (Eastern Europe is very attractive to foreign investors).

4.4 – And of course we'll keep encouraging the exchange of good practices and discussions on policies, like during the next International Conference on Territorial Development which will occur in Paris on the 28/29/30<sup>th</sup> of January 2002 (you can find more detailed information on <http://www.datar.gouv.fr> and you can ask the detail programme on [entretiens.territoire@datar.gouv.fr](mailto:entretiens.territoire@datar.gouv.fr)).