

Lille City Story



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About LSE Housing and Communities

LSE Housing and Communities is a research unit within the Centre for Analysis of Social Exclusion (CASE) at the London School of Economics led by Professor Anne Power. CASE is a multi-disciplinary research centre which focuses on the exploration of different dimensions of social disadvantage, particularly from longitudinal and neighbourhood perspectives, examining the impact of public policy. We aim to understand the social dynamics of disadvantaged neighbourhoods; promote models of housing and neighbourhood management; develop ways to support community and resident self-help action, especially in social housing areas; and shape government policy.

Foreword and acknowledgements

La Fabrique de la Cité, a French foundation sponsored by Vinci, funded LSE Housing and Communities to produce seven updated city reports on Lille and six other European cities, following our initial reports in 2007. The financial crisis, Eurozone troubles and six-year recession have changed the fortunes of these hard-hit, former industrial cities yet again. These seven stories are up-to-the-minute, grounded evidence of the capacity of cities to recreate themselves as the Phoenix. Each city story is unusual in focussing on a single city and looking in depth at how it survives and thrives, or struggles.

The reports draw on the earlier work of Jörg Plöger and Astrid Winkler who wrote the original city reports published in 2007, and we owe a deep debt of gratitude to them for their outstanding research, their meticulous evidence and their direct accounts of visits to the sites. We revisited all the cities several times since 2008, and this report is based on visits to Lille and interviews with city stakeholders. It also draws on previous research, city reports and wider evidence. We want to thank all those we met and interviewed, the projects we spent time in, all the residents, officials and programme leaders who shared their insights. In particular we thank Dorothé Delemer, Mathieu Goetzke, Jean Luis Guérin, Charlotte Rosier. Without their input, the reports would not reflect the dynamic reality of changing cities.

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1. Introduction

This report sets out to update the story of Lille's recovery and response to the global economic crisis of 2008, drawing on visits to the city, reports received and previous LSE work on Lille¹. Lille is a city of 228,000 residents, within a metropolitan area (Lille Métropole) of some 1.14 million². The Metropolitan area was created in 1967 and is now made up of 85 communes. These range from the smallest with 300 residents to the other three large cities of Roubaix, Tourcoing, and Villeneuve d'Ascq which together with Lille house over 40 per cent of the metropolitan population.

Lille is the regional capital of the Nord-Pas-de-Calais Region, which is the fourth largest region in France, and also forms part of the wider trans-border *Eurométropole* area of over 2.2 million people including the Belgian towns of Courtrai, Roselaere, Tournai, Mouscron and Ypres. The region will retain its present form as part of the Territorial Changes under discussion. Lille provides major station in the London / Brussels / Paris Eurostar rail network and is at the intersection of the A22 and A27 motorways.

¹, Kuklowsky C. & Provan, B. (2011) *Lille City Report*, CASEreport 71, LSE London; and Kuklowsky C. & Provan, B. (2011), *Report to PUCA on progress in France's former industrial cities* CASEreport 70. LSE: London.

² Both population figures 2012, INSEE.

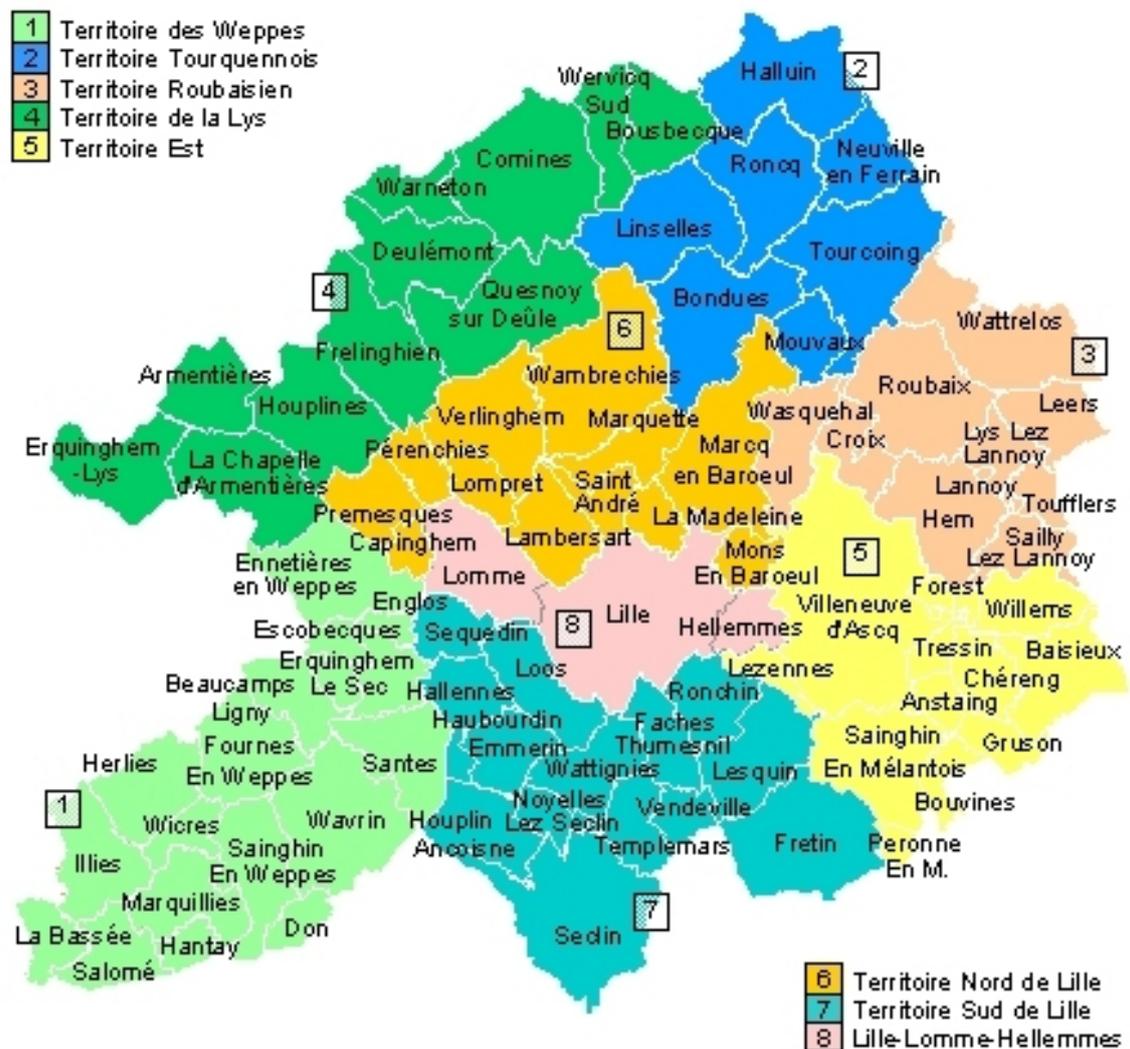
Figure 1: Map of France



Source: www.melty.fr.

Figure 2: Map of Lille Metropole

Communauté Urbaine de LILLE - Découpage des 8 territoires



Source: University of Lille.

Lille is the third biggest French University town (after Paris and Lyon) with over 106,000 students, and more than 250 research labs (including seven with the national recognition of “Laboratory Excellence” (LABEX), as well as being the second largest centre for offices outside the Ile de France region. The city is poorer than average with an unemployment rate at least two percentage points higher than the national average, a consistent pattern over 10 years.

2. History, origins, and development

Early Development

Lille's architecture reflects its history, with its origins in western Flanders and Flemish culture and language, including a cloth fair which had been famous since the 12th century. Medieval invasions and counter invasions seeking possession of this strategically and commercially attractive region saw it pass variously to the French crown, the Duchy of Bourgogne, the Holy Roman Empire, the Spanish Netherlands, until being made part of France in 1668 through the Treaty of Aix la Capelle. It was then briefly taken by the Netherlands again during the War of the Spanish Succession before the French/Belgian border was fixed in 1713. There were many more attacks, sieges and wars fought around Lille, including two world wars in the twentieth century. A contemporary reminder of this violent past is seen in the Vauban Citadel, which dates from the mid-17th century and still forms a major feature of the central area of the city.

Figure 3: Vauban Citadel, central Lille



Source: City of Lille.

First Industrial Revolution

Major growth came with industrialisation, and during the 19th century the population of Lille grew over four fold from 52,000 to 216,000 by 1896. Considerable wealth from the traditional textile industries was in the hands of a dynamic and resourceful middle class who had grown up following the French revolution. Combined with the extensive reserves of coal in the southern basin of the region and metalworking and steel works in nearby Belgian centres like Charleroi, this led to rapid industrialisation. In 1913 the Nord-Pas de Calais basin produced 67 per cent of France's coal (27 million tons a year) and

employed 130,000 miners. Basing its development on the Manchester and Lancashire industrial towns, Lille became “the second largest textile region in the world after Manchester and south Lancashire”³.

Industrial development was supported by the improved canal system linking Lille to Flanders, Ghent, Antwerp and other northern hubs, expanding Lille’s historic role as a thriving commercial centre, and also supporting the other major local industry of agriculture. Also important was the cadre of socially conscious, paternalistic, Catholic entrepreneurs who owned many of the large industrial units. This tradition of family firms, engaged simultaneously in local competition and community support, continued until World War I and beyond, and is still an aspect of Lille investment and economic life. There has also been a long tradition of working class socialist politics in the area, starting with the first socialist mayors in Roubaix in 1892 and Lille in 1896.

The highpoint in Lille’s first industrial revolution came just before the first great depression, in 1929, when the Nord-Pas de Calais region produced 90 per cent of the national supply of combed wool, and 85 per cent of the cotton and linen fabric. The 1929 depression undermined investment in machines and other plants, and slow decline followed. Nevertheless, at the end of the 1939-45 war the region remained the third largest in France in terms of population, and the second largest industrial centre.

Box 1: Key dates in Lille's history

~ 1000:	First documented mention of the city of L’Isle, later l’Isle en Flandres, from which the name of the city derives
1384:	Lille a Burgundian centre of commerce & textile production
1668:	Treaty of Aix-la-Chapelle makes Lille part of France
1846:	Inauguration of the Lille-Paris rail line
1850-1901:	Industrialisation and growth - population grows 76,000 to 210,000
1896:	First socialist mayor elected, Gustave Delory
1914-1918:	German occupation WWI. Lille suffers greatly from this war, with most of its industry destroyed`
1928:	First mail order catalogue from La Redoute, to stimulate flagging market. Mail order still strong today
1929:	American crash hits Lille hard, recession + unemployment
1939:	Lille second biggest industrial region in France
1940-1944:	German occupation
1954:	Peak of industrial period: Lille has 11 per cent of French industry, 53 per cent of its coalmines, 27 per cent of its textiles, 18 per cent of its steel industry
1964:	Métropoles d’Equilibres strategy, moving economic balance from Paris
1967:	Creation of the LMCU (Lille Métropole Communauté Urbaine)
1983:	Inauguration of the first VAL (Véhicule Automatique Léger) metro line - the first automated subway line in the world
1994:	Inauguration of the ‘Chunnel’ and Lille-Europe train station
1995:	Lille chosen as France’s bid to host the 2004 Olympics. It doesn’t win, but it sets in motion investment to improve the city’s image, leading eventually to the 2004 Capital of Culture events
2001:	Martine Aubry elected Mayor of Lille, a post she continues to hold
2004:	Lille European capital of culture

Note: Adapted from Provan, B and Lukowsky, C. (2011).

³ Colomb, C (2007) *Making Connections – case study of Roubaix, Lille*. York: Joseph Rowntree Foundation.

Industrial Collapse and recovery

The rapid collapse of the dominant regional industries – coal, steel, and textiles – began in the period 1962 and lasted till 1990 when the last mine shut. In 1860, the Nord-Pas de Calais region produced 5% of the national GDP, a figure which steadily rose over the following century and stood, 100 years later, at 8.3% (at which point it contributed 11% of France's industrial output). It took 33 years between 1962 and 1995 for this GDP figure to fall back to 5.6 per cent, a return almost to 1860 levels. Overall, the number of industrial jobs dropped by 47 per cent in the Nord-Pas de Calais region against 18 per cent nationally. Some of this decline was extremely steep, particularly in the textile industry, where an estimated 130,000 jobs were lost between 1945 and 1996. During this period similar losses occurred in the agricultural sector (164,000), the mining sector (90,000) and to a much lower extent, the chemical industry (8,000) and the metalworking industry (7,000)⁴.

Lille began to reshape and diversify its economy long before this industrial collapse in several important ways. First, in 1928 nearby Roubaix developed a renewed focus on distribution and trade that remains important to Lille today. The city had been in medieval times a centre of trade and exchange. The renewal focus was started with the mail-order business La Redoute, which put out its first catalogue in 1928 in order to stimulate new demand for its products (at that time exclusively women's knitwear). This revolutionised product distribution and patterns of consumption. By the end of the twentieth century, six of the ten largest mail order distribution firms in France had their headquarters in Lille.

Second, the period between the two wars was marked by important urban renovation works led by Lille's mayor, Roger Salengro. He set up an ambitious plan to modernise and sanitise the city, destroying slums and starting programmes for low cost social housing (*Habitats Bon Marché*), building a major hospital centre, constructing a modern railway station and developing Lille's still active river port. Similar work on improving working class housing was undertaken by subsequent post war socialist mayors such as Augustin Laurent in the 50s and 60s. Later, in the 1990s, the city began a process of "remaking the city" revitalising the extensive areas of disused former industrial land, a process which continues into this century.

Third, as part of the post-war French reorganisation of government administration and to counter the centralising dominance of Paris, eight 'balancing cities' were developed – with Lille serving as the centre for the North East. Linked to this was the creation of the new town of Villeneuve d'Ascq, following a central state decision in 1965, which encouraged the growth of population by attracting higher qualified professionals working in tertiary jobs. In this way the seeds of Lille's response to the 1970s crisis and subsequent industrial collapse had been sown.

The arrival of Eurostar

The loss of 130,000 regional industrial jobs in the 70s and 80s could not be compensated for by the incipient growth of new tertiary jobs without a major stimulus. The location of the EuroStar TGV station in Lille (which opened in 1993) aimed to recreate Lille as a central link between London, Paris and Brussels, Germany and North East Europe, replacing its previous image as a neglected, post-industrial peripheral player. The complementary construction of the major mixed use commercial/business centre, *Euralille*, covering 114 hectares of centrally located former railway land, was pivotal. The subsequent on

⁴ Figures from Baert T 2003 and Paris, D. 2002.

Euralille 2 project was created in 2000, followed by the regeneration of the Porte de la Valenciennes. The development of the disused, but attractive, old Gare Saint Saviour site adjacent to Lille town hall for mixed commercial, community and cultural uses has helped to make Lille into a vibrant hub of activity and enterprise.

The latest phase, *Euralille 3000*, was launched in 2010 and will include substantial environmental improvements to the dead spaces around the Lille Europe station. The politics behind securing this station in Lille relied on the influence and determination of the then Mayor of Lille, and former Prime Minister, Pierre Mauroy, who persuaded the government to divert the path-breaking Euro-tunnel project from its original route in order to offer Lille a unique opportunity for renewal and re-definition, despite the additional cost involved.

Equally important was the creation of the Lille Métropole governance arrangements to link Lille, Roubaix, Tourcoign and the other communes in the metropolitan area. This umbrella body, *Lille Métropole*, became the dynamic driver of economic recovery, including building the first ever automatic Métro transport system in Europe, and restoring the old city centre, and initiating a series of “cluster” projects set out in Box 2. The development of new clusters, drawing on the city’s traditional skills and physical assets, aimed to generate innovative new enterprises in the City. In 2004, Lille won the image changing ‘European Capital of Culture’, which helped consolidate the new image of Lille, and Lille Métropolitan as a rising new post-industrial city region.

Box 2: Some of Lille's major employment and innovations project started during 1990-2005

Excellence Clusters:

Eurasanté Park: development site for companies and research laboratories specialising in health fields.

Haute-Borne Technology Park: Hi-tech enterprises and research laboratories. Linked to Lille 1 University, CNRS (national research) and IRCICA (advanced ICT research institute).

Zone de l'Union: Eco-neighbourhood to provide 6,000 jobs, 300,000m² of offices and housing for 3,500 residents on a previous industrial site of 80 hectares. Two centres of excellence: on image, culture and media, and on innovative textiles.

Euratechnologies: a refurbished industrial site and building hosting new enterprises in new information and communication technologies

Competition Clusters:

I-trans Innovative ground transport systems, building on the 1983 Siemens first automatic light railway system (the Lille metro) and now comprising 40 per cent of the national railway construction business,

NSL (nutrition, health, longevity) – developing agri-food and health ingredients, health and biotechnology including a unique specialist blood centre.

Uptex – advanced textiles and materials. Home to ENSAIT in Roubaix which trains French textile industry engineers, and its CETI (European centre for innovative textiles) shares this research portfolio similar textile centres in Ghent.

PICOM supports 219 distance selling companies. Trialling new distribution concepts including sustainable DIY, arts and crafts, and food. Also 44,000 other jobs in the retail sector and in total a turnover of €65bn.

MAUD and TEAM Environmental innovation – MAUD deals with new materials and their uses in the search for lower carbon production, particularly around packaging, and graphic industries; TEAM2 deals with waste management and recycling & includes the only centre of ground and site depollution in France.

Note: Adapted from Provan, B and Lukowsky, C. (2011)

2008 Crisis

How is Lille coping with the current crisis, compared to its earlier 1970s problems and responses? A recent report on the impact of the 2008 crisis on a cross-section of European cities suggests that cities which had already restructured their economies during previous crises – including those in East Germany and other 'Phoenix Cities' like Torino and Bilbao, have found the current crisis less difficult to manage⁵. Nevertheless, the extent, depth and global nature of the 2008 crisis makes the situation very different from the 1970s, as explored in the next section. In addition, governance and institutional arrangements are very different now since the 1970s and 1980s. The 1970-90s developments took place in an era where decision-making was simpler and more directed. The current structures of seven multiple levels of

⁵ URBACT (2011) *Ten Urbact cities respond to the crisis*. URBACT.

decision making and innumerable levels of debate, permissions, negotiations, financial applications and strategic fits. This pattern had not yet taken control of the development process.

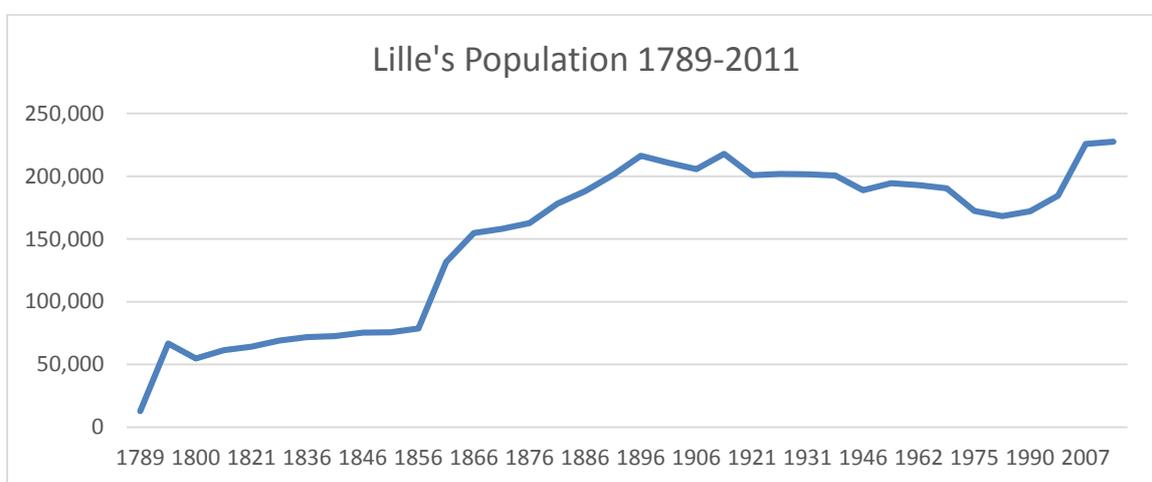
In the 1970s, a nationally powerful political figure like the ex-Prime Minister Mauroy, aided by determined senior administrators, could push through a visionary mega-project like Euralille, even though there were many disputes at the highest political levels and over-ambitious assumptions about growth which were never entirely fulfilled. Today, many local figures suggest to us that *“it would take over seven years for a major project [like Euralille] even to get agreed”*. The complexity of current structures have led to proposals for radical territorial reforms, strengthening larger Metropolitan areas and Regions while abolishing the *Départements*. These changes began to be introduced in 2016.

3. Lille, and Lille Metropolitan area, today

Although this discussion focuses on the City of Lille, much of the overarching economic and social evidence is collected, managed, analysed, and planned at the Métropole level. The Métropole, combining 85 communes, is responsible, amongst other things, for economic development, supporting and promoting metropolitan events, the local housing programme (PLH), the network of sporting and cultural buildings, research and the development of green spaces. Nevertheless, information and examples from the City of Lille will be given wherever possible to explain and demonstrate progress in the city.

Figure 4 shows the growth of Lille’s population for the last 222 years. It indicates the steady loss of population from 1911, then a strong re-growth from around 1990 which has continued, though more slowly, until the present.

Figure 4: Lille's population, 1789-2011



Sources: Power et al 2010, INSEE

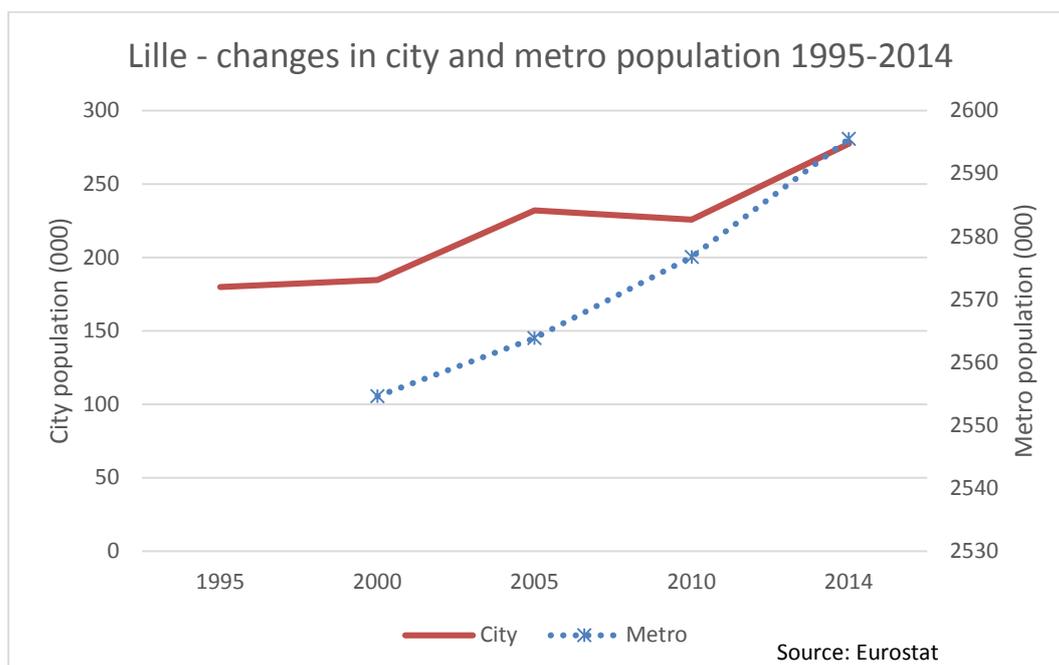
The City of Lille is more densely populated than the Metropolitan area as a whole, and has a younger population as shown in Figure 5. The growth of the City and Metropolitan area is shown in Figure 6. Even so, Lille is not a very dense city by European standards and is aiming to attract more population back into the city.

Figure 5: Density and Age profile of Lille and Métro, 2011

	Lille	Métro
Landmass	7%	93%
Density (per km ²)	6,637	1,844
% under 30 yrs	51%	44%
% 15-29 yrs	34%	24%

Source: INSEE.

Figure 6: Growth of City of Lille and metropolitan area, 1995 to present



Overall in 2012, compared with the metropolitan area, economic activity was disproportionately concentrated in the city of Lille. This partly reflects the large number of people who commute into the city centre from surrounding in the Metropolitan area and beyond, in addition to those who are attracted to live in the city itself (Figure 7).

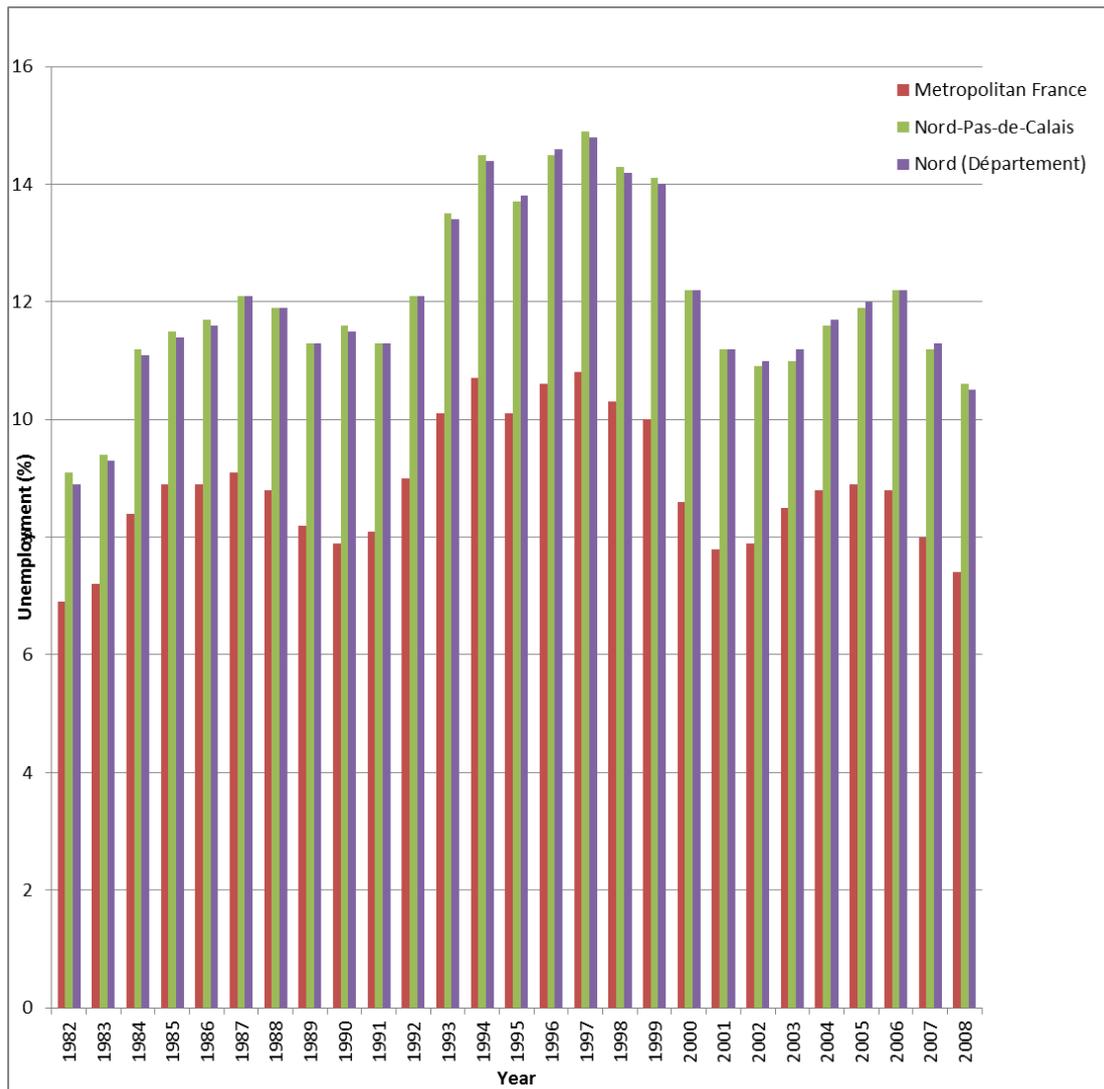
Figure 7: Economic activity in Lille City and Métropole

Year: 2012		
Lille City = 23% of the Metropole population	Number	% of Lille Metro total
New firms created	2,803	31%
Firms closed	347	30%
All non-agricultural employers	19,515	31%
Private sector employers	8,746	32%
Jobseekers	27,129	27%

Source: ADULM.

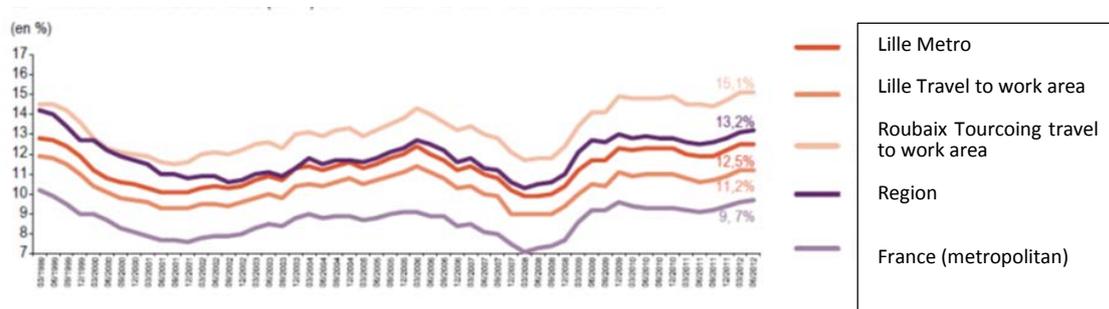
Figure 8 illustrates the persistently high unemployment in the Nord-Pas de Calais region and Nord Département for the last 30 years compared to the national average; and Figure 9 shows that both the City and the metropolitan area have consistently had higher unemployment rates than the national average during the period 1999-2012. This however is lower than the regional average.

Figure 8: Unemployment in France, Nord-Pas-de-Calais region and the Nord Department 1982-2008



Source: INSEE.

Figure 9: Unemployment in Lille Metropole, Region and France 1999-2012

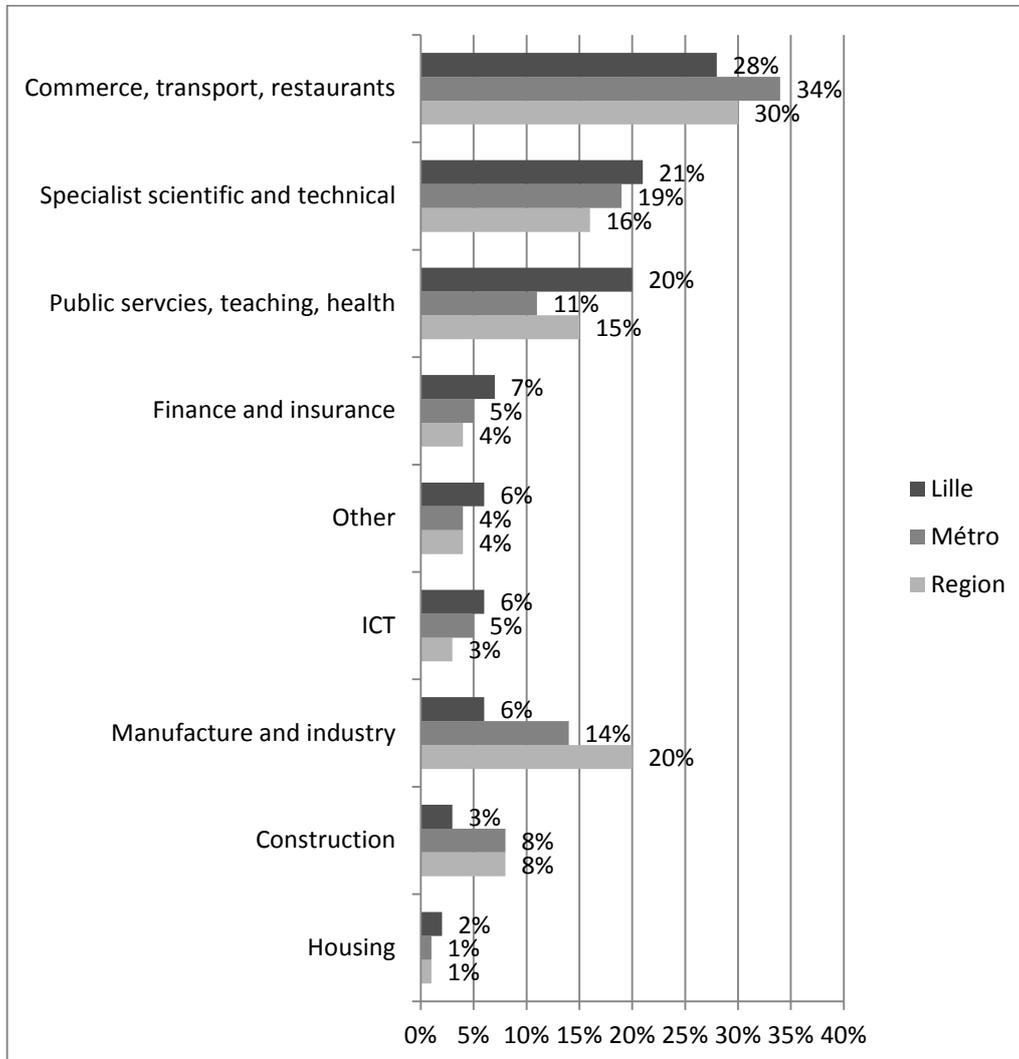


Source: ADULM.

A detailed distribution of salaried jobs by type of activity is shown in Figure 10. Commercial activities, hospitality and transport form by far the largest group of jobs in the city, nearly one third. One

fifth of Lille city jobs are in the public sector, specialist scientific and technical occupations a further one fifth, while only 6 per cent are in manufacturing and industry – compared to 20 per cent manufacturing jobs in the region as a whole.

Figure 10: Distribution of salaried jobs in Lille City, Métro and the Region



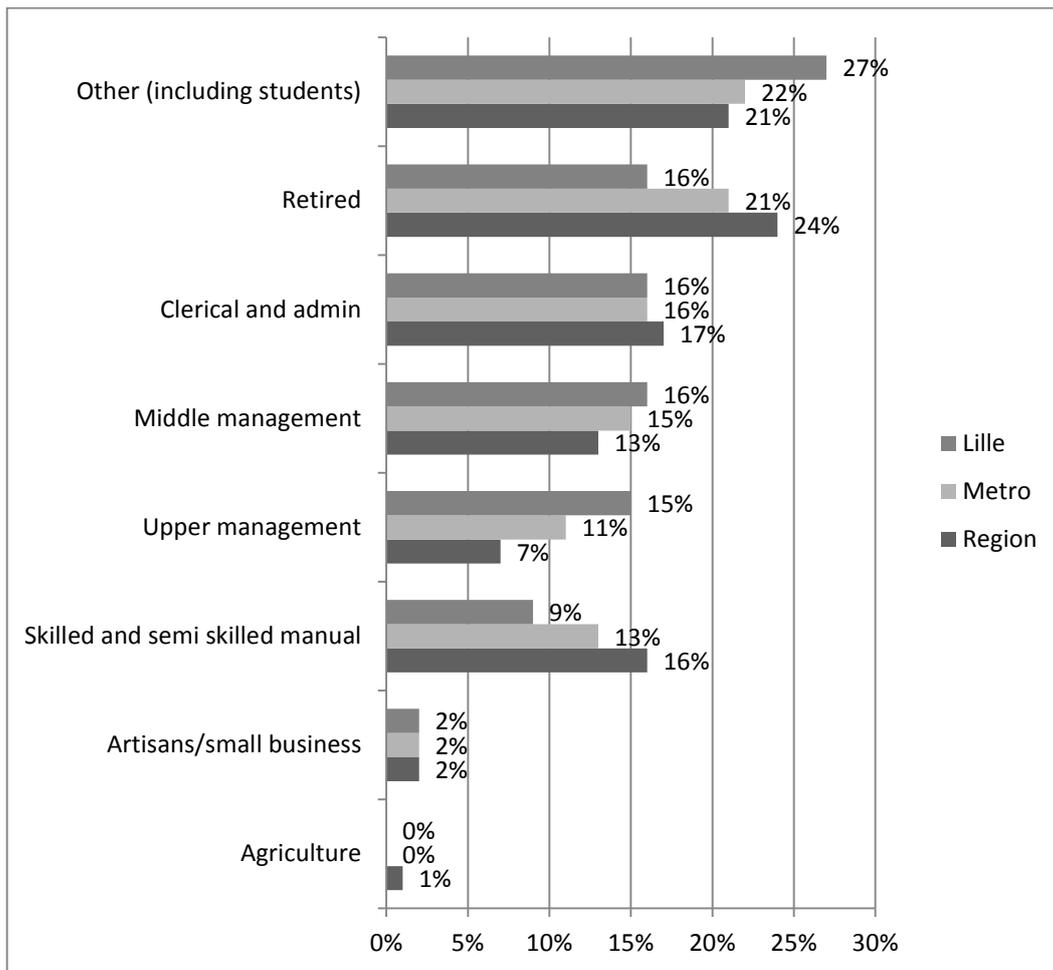
Source: Urssaf/Acoss 2012/ LMPDE.

<http://www.acoss.fr/home/observatoire-economique/donnees-statistiques.html>

Students form by far the largest group in the city, closely followed by pensioners with almost one in four retired people in the region as a whole. Middle and upper management are also concentrated in the city forming 31 per cent of employees.

Figure 11 compares general categories of employment in Lille city, the Métropole, and the region.

Figure 11: Type of employment in Lille city, Metropole and Region 2010



Source: INSEE.

Overall, Lille city provides a concentration of middle and upper management tertiary jobs, and a high concentration of public sector and technical jobs. Many of these are in medicine and research, and are set in a much more industrial metropolitan area.

4. The financial crash of 2008 and its impacts on Lille

National context

Lille has been in long-term economic crisis since 1967, therefore the 2008 events were not a total shock. However, in many ways, 2008 was very different (see Annex 1 for wider impact of the crisis on EU cities more generally, as well as on France). Past crises in Lille's economy were responses to specific industrial sectors (textiles, mines, and steel) which had been the motors of the local economy for the last hundred years; whereas the 2008 crisis threatened to undermine the whole international financial and economic system.

Lille's history and 1970s crisis and recovery resembles that of similar 'Phoenix Cities'⁶ of first industrial revolution in Europe and the USA. Rising from the ashes at that time became a matter of identifying a new kind of growth, new skills, developing more compact cities and more socially cohesive, culturally and technically innovative economies. These post-industrial innovations happened in a context of continuing globalisation, rapid technological innovation and easy credit. However, with the 2008 crisis there were at least three very different and interrelated processes taking place at the same time – the banking crisis, a deep recession, and the Eurozone crisis - *"changes in one of these causes waves in the other which in turn affect different sectors, social groups, and places in different ways and with different timelags"*⁷.

During 2009, public debt escalated due to the costs of bailing out the banks, lower tax receipts, and more expenditure on social services. This led to higher public debt, cuts in public expenditure and further financial instability. France is particularly affected by these problems and continues to struggle to meet its public commitment to reduce public expenditure by €50bn by 2017. France has also committed to implementing reforms to forge a greater partnership with business, free up the labour market and make the economy more efficient. Significant reductions in public expenditure affecting jobs, as well as cuts in major programmes for the improvement of deprived areas are slow in coming. Most western cities are struggling with a major reduction in funding, collapsed consumer confidence, rising inequality and poverty. An April 2014 Lille Métropole document stated that *"the traditional analytical frames of reference are less and less pertinent to grasp the economic reality of the area"*⁸.

Overall in 2008-12, the Nord-Pas de Calais region was among the worst hit in France. Including Lille-Roubaix-Tourcoing, Saint-Omer, Douai, and Lens-Hénin, the region lost over 14 per cent of its industrial jobs⁹. The city of Lille itself was not so severely hit, reflecting the changes in its economic base. Within the 'Lille-Tourcoing-Roubaix' metropolitan area some 39,500 industrial jobs remained in 2012 (a reduction of 15 per cent since 2008). These jobs made up 10 per cent of the total job market (down from 12 per cent in 2008), principally in the food and textile industries. In fact, there was an overall national loss of 22 per cent of jobs in the textile and clothing industry, therefore Roubaix-Tourcoing reflected this national pattern. In the electronics, IT and optical sectors there was additional employment created in the sub-region, including in Lille.

⁶ Power, A. et al (2010) *Phoenix Cities*. Bristol: Policy Press.

⁷ OP cit p 6.

⁸ Diagnostic Economique Métropolitaine 2014. DES Lille Métropole.

⁹ Fédération National des Agences d'Urbanisme (2014). *Les Dossiers FNAU – La Crise, l'Industrie et les territoires*.

France appears divided in two with a line roughly from Caen in Normandy, west of Lille, to Saint-Étienne in the south. Areas to the north and east of the line are in decline, and areas to the south and west are continuing to function reasonably well. The employment sectors that are growing in the more successful areas of France include aeronautics and naval development, food and agricultural technology, new metals and chemicals and chemical industries – as well as a major increase in restaurants, medical services and social care. Activities in steepest economic decline across the country include cars, construction of metal based products, furniture, printing, textiles, clothing and shoes.

Strategic response to the 2008 crisis – the strategic principles

The initial response in Lille was to set up a strategic plan – the Metropolitan Economic Development Plan (PMDE). This was a partnership development including Lille Métropole, Regional and National representatives, Chambers of Commerce, Artisan associations and Industry, Lille University, Union representatives and Employers representatives. As well as monitoring delivery, the plan coordinates the response over the metropolitan area as a whole. It involves all the partners, rather than suggesting separate economic recovery plans and actions, commune by commune, or city by city (Lille, Roubaix, Tourcoing etc.). Nevertheless, each major city has its own delegated part to play in the overall strategy.

The economic vulnerabilities of Lille Metropolitan area related to three main underlying features (as at 2012)¹⁰:

- 29 per cent of Lille’s population depends on social benefits. This is the highest percentage of any metropolitan area in France, and is a particular risk in the event of reductions in public expenditure, including services and benefits.
- The revenue generated from housing and residential-related activity, including tourism, is only 73 per cent of the average for other similar metropolitan areas which provides a weaker local residential tax base.
- The productive economy generates about 25 per cent of the income of the area. Although this is higher than Marseilles, it is lower than Ile de France (36 per cent), Lyon (30 per cent) and Toulouse (26.5 per cent).

The opportunities are, however, large:

- Within a 300 km radius of Lille, the pool of potential consumers is the richest in Europe, larger than Paris or other French cities, in third place internationally behind Tokyo and New York, and with potentially 78 million consumers with €1.524bn potential spending power.
- This places it ahead of all other comparable European markets, including Cologne (€1.503bn spending potential) and Paris (€815bn spending potential).

Whereas the period before the 2008 crisis had seen the creation of 42,000 additional jobs, job creating came to a halt with the start of the crash. The economic recovery plan (PMDE), sets out 5 priorities¹¹ to address the new challenges, and more specifically to create 100,000 jobs in the Métropole by 2030:

¹⁰ LMCU/SCOT. Juin 2012. Les Défis économiques à relever.

¹¹ See e.g. the 2013 update *Mise en Oeuvre du PMDE – point d’avancement juin 2013* Lille Métropole ; or *Comité de Territoire économique Territoire Lillois* update of 19 Sept 2013 to elected members.

- **Business support** - providing practical support to firms interested in moving to Lille, including coordinating different agencies involved and in some cases offering financial support. This was to be targeted at SMEs wishing to move to the city.
- **Better housing and offices for business** – improving the housing and office facilities to be better adapted to the needs of new businesses. This includes aiming to complete the ‘1,000 Hectares project’ launched in 2004 to make use of ex-industrial sites (particularly to house the 5 ‘Poles of Excellence’ or clusters, defined below). This was developed into the new 2013 ‘Parcs 21’ programme which aims to develop sites fit for the 21st century by following the six guiding principles of sustainable and innovative economic management – density, mixed uses, flexibility, high ecological standards, energy efficiency and responsible governance.
- **Focus on key industries** to support the development of ITC, distribution and e-commerce, innovative textiles and advanced materials, the health-biological-food industries and higher tertiary services (financial, legal, and others). These industries build on traditional Lille skills and seek crossovers between the different sectors as well as being based on high levels of research and development, including promoting development of the higher education sector.
- **Promoting an inclusive and socially cohesive economy** to encourage local employment and businesses. This is done through artisanal employment, working on helping unemployed people back to work and giving access to jobs alongside the Maisons de l’Emploi, (employment offices) based in each commune.
- **Promoting Lille’s economic and general attractiveness internationally** through cross border links, presence at international fairs and an international development strategy.

5. Outcomes and impacts so far

In overall terms, the high-level figures indicate that jobs in the period 2008-2012 remained roughly stable. However, the City of Lille saw a 2.2 per cent growth, whereas Roubaix-Tourcoing saw a 6.6 per cent loss – mainly due to major reductions in industry (-13.8 per cent) and construction. The national average growth of jobs in similar metropolitan areas is on average 2.4 per cent¹². The main activities creating growth are shown in Figure 12¹³.

Figure 12: Main areas of job Growth, Lille Métropole, 2008-12

Main areas of job growth, Lille Métropole, 2008-2012	% growth
ICT	11.9
Services (principally personal services)	10.7
Finance and insurance	5.8
Housing	4.7
Commerce, transport, restaurants and hotels	1.4

Source: DES Lille Metropole 2014

The application of the five main priorities of the strategic recovery plan (PMDE) and their impacts are outlined below.

i) The business support priority

Since 2009, 700 firms have been supported to move to Lille, thus creating 19,000 jobs. This reflects expressions of interest by around 500 firms each year. Figures show¹⁴ that apart from a major increase in the immediate pre-crisis years of 2006 and 2007, the take-up of office space in Lille Metropole (including new, refurbished, and custom-built buildings, mainly for big headquarters) remained roughly stable at about 150,000m³ a year. The exceptions are the years of 2009 and 2011, when it dipped slightly below this level but reached 184,988m³ in 2010 and 171,370m³ in 2013. The main City of Lille sites remain Euralille, Haute Borne Science Park, Euratechnologies, Euro Santé, and in Roubaix L'Union, where rents are lower.

Overall, around 40 per cent of new office lettings in Lille Metropolitan area are accounted for by the development of the original Excellence Clusters. Lille continues to maintain its position as the third biggest market in France for office provision, after Ile de France and Lyon. However, wider trends are worrying. Much of the letting activity relates to larger companies (with a 25 per cent drop in small or medium size lets), and increasing vacancy rates which lead to firms seeking lower rents in the second-hand market. Only a longer term recovery would support a resumption of new building, which in any case is limited by the shortage of finance¹⁵.

The City of Lille has recently attracted IT firms including WYGWAM (a high tech firm building business support on Microsoft platforms) and ADICTIZ (a major French computer games producer). Furet du Nord

¹² *Diagnostic Économique Métropolitain 2014* (DES Lille Metropole), p4.

¹³ *Point d'avancement PDME 2013*.

¹⁴ *Lille Métropole Immobilier Marché des bureaux 2013, Major developments 2014* Lille's Agency/CCI Nord de France 2013.

¹⁵ *Ibid*, p10.

(a kind of French version of Amazon which is one of Europe's biggest book distributors employing over 400 people) is developing in the city, and the major banking group, Crédit Mutuel Nord Europe (part of the giant Crédit Mutuel group) has moved in. Since 2008 120 firms have received financial support via this strategic priority, to a value of €11m, leading to the creation of 5,000 jobs.

ii) SMEs

Two important factors have assisted SMEs. The business support service provides advice and mutual aid for small entrepreneurs. This includes a joint project in Neuville-en Ferrain (near the Belgium border to the north of the city, and one of the first planned new 'Parcs 21' business parks) supporting four local firms and generating 194 jobs. These employment opportunities include the production and sale of window blinds and baby clothes. An annual budget of €1.2m has provided 25 programmes of support for creative industries in finance, business advice, and direct assistance for small creative industries in the metro area.

iii) The priority for housing and business offices

The '1,000 hectares' project is on track to have 1,100ha in management by 2014. The next phase is *Parcs 21*, which aims to provide a commercially desirable economic offer to businesses, supported by innovation and sustainable environmental values. Three innovative pilot projects are underway. For example La Lanière¹⁶ in Roubaix aims to provide live-work facilities for individual artisans and firms of different sizes. This project covers 92,400m² as well as 36,600m² of housing. The site was cleared in 2013 after a long history of industrial-scale wool production. At one point it was the most advanced wool factory in Europe, employing over 6,000 people.

Detailed investigations have been carried out into local energy needs and how they could be met by local renewable energy generation using solar panels, wind generation, biomass generation and possibly geothermal potential from beneath the site. Geothermal energy is not feasible, but solar and wind power could make a contribution, though the energy cost would be high. Biomass provides a likely and useful source of energy. Extensive investigation of the natural resources and history of the previously industrial site is in part linked to how local biomass could be used as fuel.

Ten other developments are underway on existing brown-field sites – including the *Parc 21* Neuville-de-Ferrain. Plans include stimulating local enterprise and employment, expanding and renovating the existing offices and open spaces. There are also plans to develop new formal associations involving local people, employers, elected officials, local firms and others.

iv) The priority focus on key industries

Developments in the new industries – ITC, distribution and e-commerce, innovative textiles and advanced materials, the health-biotech-food industries and higher tertiary service (financial, legal, and others) – are expanding widely through the 'Excellence Clusters'. Progress in these clusters is set out in Box 3 below, showing considerable growth and continuing expansion plans since their creation.

¹⁶ See *ENQUETES-PUBLIQUES/LA-LAINIERE/ROUBAIX-WATTRELOS_Annexes-Etude-Impact-Lainiere_aout2013*.

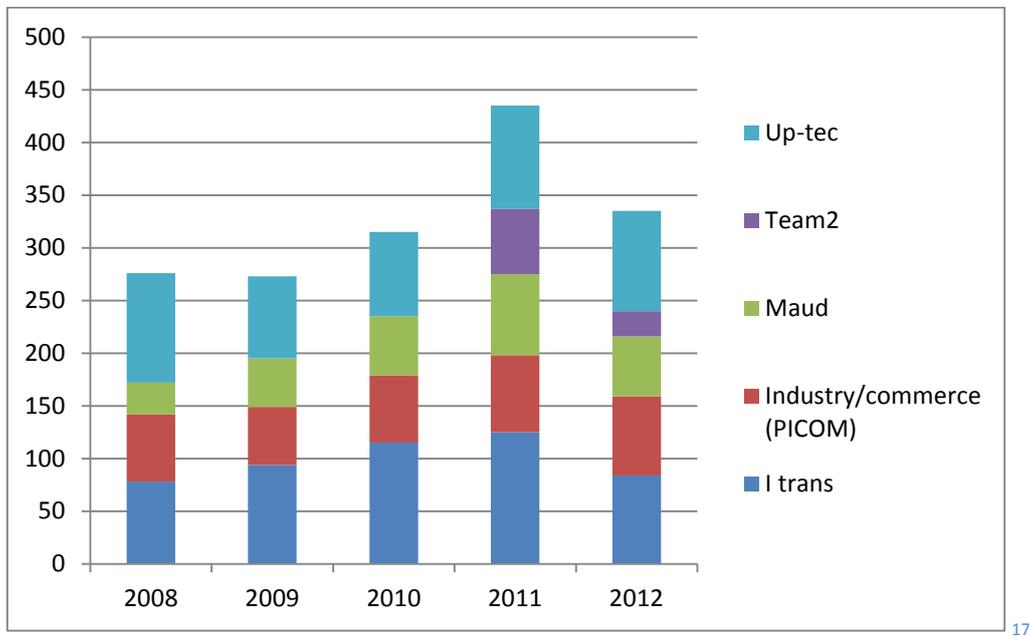
Box 3: Progress in the five Excellence Clusters

Current progress in the original (2005) five 'Excellence Cluster' zones

- **Euralille:** now the third biggest business district in France with over 300,000m² of offices supporting over 14,000 jobs. This is a growth of 8,000 since 2008. It hosts the corporate headquarters of many national firms in the banking, insurance, audit and finance sectors. There are also almost 4,000 homes, including 450 student flats, and extensive shopping, entertainment and conference facilities
- **Haute Borne Science Park** now holds 1,300 researchers and 50,000 students in 60 research labs linked to the University of Lille and other graduate schools. Key areas include ITC, nanotechnologies, and recently two offices of the National Research Agency (CNRS). An important recent addition (2012) is an 'Innovation Hub' which provides short term office accommodation and support for new SME start-ups that often lack the means to get high quality, ecologically designed, well serviced units
- **Eurosanté** is now the largest hospital/university campus in Europe. It covers 170 ha and is based around the original CRHU site. It includes medicine, dental surgery, and pharmacology faculties, the Pasteur Institute, the French Institute for Blood for Northern France and the Oscar Lambret Oncology centre. 12,500 health professionals are affiliated with Eurosanté, and it houses over 60 health research labs. It also includes a Bio-incubator which houses young innovative SME start-ups in the health sector
- **EuraTechnologie** is part of the wider 100ha eco-neighbourhood – 'Les rives de la Haute Deule'. Since starting in 2009, the site has expanded to include over 130 companies. These range from international giants such as Microsoft, TATA and ASOS to new start-ups, all housed on one site to share experience and expertise, as well as office services for the SMEs. It also serves as a regional centre for ICT development. Over 2,200 jobs are on site, representing over 80 complementary skills. Funds of €10m have been raised for the start-ups. Five hundred homes have been added to the old neighbourhood around Eura Technologiem and three hundred more will soon be completed. Shops, parks, and conference spaces are all available on site. Future phases include investment by IMB in a new 'Euratechnopolys' mixed development, offering 200 jobs from 2015, rising to 700 in the longer term. Eventually, over 1,600 new residents, 500 new jobs, and innovative eco-activities including water management, parks and other new ideas will be developed across the entire Haute Deule site, which includes distribution and legal centres.
- **Zone de l'Union** houses two major innovation centres as part of its overall 100,000m² developments as part of a pilot eco-neighbourhood. Le CETI – the European Centre for Innovative Textiles – aims to provide cutting edge materials for use in advanced health, automobile, and environmental technologies. The intent is to restore textiles as an innovative driver of regional growth. The first firms arrived in the Zone in 2012 and some were supported by a start-up facility. The centre is linked directly to the 'Up-tec' competition pole (see below). The target is to create 500 jobs in 5 years, rising to 1,500 after 10 years. There are 45,000m² of additional space being developed for other firms that are directly linked to new textiles. Plaine Images has attracted over 75 audio-visual companies, including animation, videogame, multimedia, such as *Grand Lille TV* and the music download company *Télé Melody*. The site is coordinated by an on-site support team that brings together business, research labs, technology and artistic projects. It acts as an incubator for innovative new SMEs and currently supports 1050 jobs, including in a recently opened 'Imaginarium'.
- Overall, between 2008 and 2012, these five centres of excellence attracted €30 million.

Lille's original Competitiveness Clusters show similar continuing progress in Lille, building on past investments despite the crisis. Figure 13 shows that since the dip in 2008-9, the number of firms rose sharply in 2010 and 2011 before falling back to the 2010 level. This is still significantly higher than in 2008.

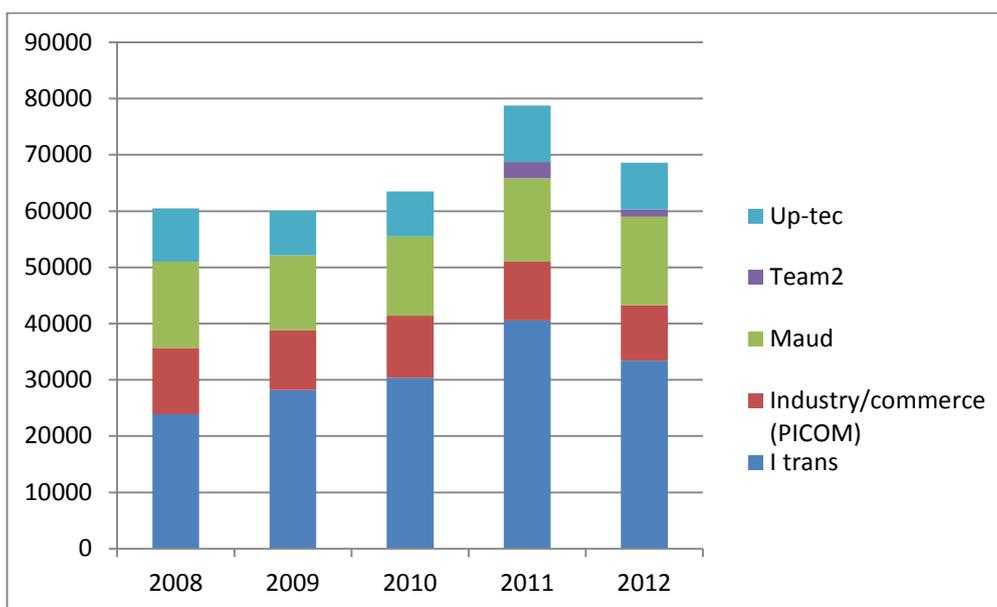
Figure 13: Changes in firms in Competitiveness Clusters (2008-2012)



Source: DGCS.

Figure 14 indicates a similar pattern, showing the number of jobs provided rising by some 8,127 over the period 2008-11, followed by a dip in 2012.

Figure 14: Number of jobs in Competitiveness Clusters (2008-2012)



Source: DGCS.

These graphs demonstrate how Lille has managed to cope with the crisis after an initial shock, and how it has been sustained by previously planned, funded and committed projects, bringing already agreed investment and growth. With less public and private finance becoming available due to government pressures and banking constraints, there is now a reduced level of state subsidy to cities and the transfer of some financial responsibilities to them. This has led to reductions in programme funding as old programmes come to an end. The steps taken in the strategic plan (PMDE) were intended to mark out a new and different path, and it remains to be seen how well it will play out, now that major government projects are declining.

The competition pole PICOM has opened a Shopping Innovation Lab. New businesses, SMEs and established businesses can test their products for computer-based interaction with customers. This builds on Lille's already active role in distribution and logistics. Over 70 retailers now headquartered there, with major names like Auchan, Decathlon, Leroy Merlin and Castorama, and over 44,000 jobs. In mail order businesses, over 200 firms provide 30,000 jobs, including 3 Suisses International, Lyreco and La Redoute. There are over 20,000 jobs in e-business including companies such as Amazon (whose largest French distribution centre is in Lille), Egencia, Booking.com, Asos and Compario.

In the bio-health-nutrition industries, the development of a new centre for the extraction, purification and production of natural health ingredients by the major French R&D company, Purifunction in 2012 was unique in Europe, covering 1,800m² within Eurasanté. Purifunction was itself launched by food industry innovators including Lesaffre, Roquette, Ingredia and Copalis.

The textile industry has attracted an innovative facility, provided by Maisons de Mode, for new fashion designers and professionals to set up their own label. Following selection by a committee of fashion industry professionals, these new designers are invited to join Maisons de Mode for a nine to 24-month period. During this time, each designer is offered professional assistance and guidance, to help the designer develop a flourishing business. Designers come from all over France and abroad. The only requirement is that they establish their headquarters in a designated neighbourhood, in Lille or Roubaix. There is an annual prize of €10,000 awarded to the most promising designer at the two-day Maisons de Mode event. The site also has 17 sales outlets (boutiques) and attracts up to 15,000 visitors a year, generating a turnover of around €250,000.

There is a new design initiative linked to the Competivity Clusters, "Lille design", which aims to engage designers in residence to work alongside the start-up firms which are part of the Clusters, operating as collaborative visionaries in integrating design to the development and marketing of new products.

The links between the universities, research and development help stimulate small, new industries. The 'plan campus' Grand Lille was awarded €30 million as part of the 'plan campus' initiative launched by the previous President Sarkozy, and extended as one of the initial reactions to the crisis. This allowed the establishment of a new ITC research facility for the INRIA North group, involving researchers from several universities and graduate schools; facilities for the Institute of Electronics, Microelectronics and Nanotechnology (IEMN) to aid work in the areas of Visual Studies, and distribution technology.

Figure 15: New Institute of Electronics, Microelectronics and Nanotechnology



In addition Lille attracted finance for the “Plan d’Investissements d’Avenir”, a central government initiative, providing seven “Laboratories of Excellence” in the Lille area, addressing:

- Alzheimer’s disease
- Parasitical infections
- Fibre optic communications
- Atmospheric pollution
- A CRNS facility addressing science, materials and energy
- Life and health sciences
- Diabetes

In addition, an institute of excellence for decarbonised energy was established in conjunction with the University of Lille 1, as well as a laboratory for innovation and co-design (ADICODE) funded by the Catholic University of Lille as a centre of teaching excellence.

Meanwhile, the 2013 review of industry in Lille Metropole¹⁷ analysed the state of industry in the area. The document argues that industry is “the lungs of the area”, necessary for wealth and job creation, noting also that there were 2,348 artisanal firms in Lille metropole, registered with the Chamber of

¹⁷ Observatoire Partenarial de l’Économie de Lille Métropole 2013 *Industrie : les forces en présence, les grand enjeux*.

Artisans and Skills in 2011, but that 56 per cent of these firms were registered as having no employees, and only 20 per cent having more than 5.

v) Industrial return

The standard of skills in the working class is insufficient for the new industrial jobs in the area, and even the few vacancies that occur in traditional industries often remain unfilled for some time, partly due to advanced technical requirements, partly due to the poor image of traditional industrial jobs. Surveys indicate that only 14 per cent of young people wish to train for industrial jobs, although jobs linked to cars and electronics are popular. More relevant technical training, on a par to that provided for tertiary jobs is needed if the Lille area is to realise its potential to re-launch industrial activity. Lower rents, lower electricity costs, cheap and attractive housing compared to nearby Belgium and Germany make it valuable as a city and region to invest in.

An initiative to promote industry was launched by Lille Metropole, Chamber of Commerce and Industry of Greater Lille, the government employment agency, *Pôle Emploi*, and the region, Nord Pas de Calais. Published in 2013, "Osez l'Industrie"¹⁸ set out proposals around the themes of:

- strategic planning for anticipated risks
- involving public and employment professionals in promoting industrial jobs
- better training and job placements
- more direct support to follow through on initiatives being taken
- a shared and powerful communications strategy

Industry may be the element required to balance the emphasis on the key post-industrial priorities identified in the strategic plan. The cluster developments represent essential and promising elements of future economic development, but large scale production, as well as small scale innovation would help to generate significant employment. Should any of the start-ups find themselves with a highly marketable product, these products could be produced locally, if the ground was prepared for industrial production in Lille now.

vi) The priority to promote Lille's international image and attractiveness

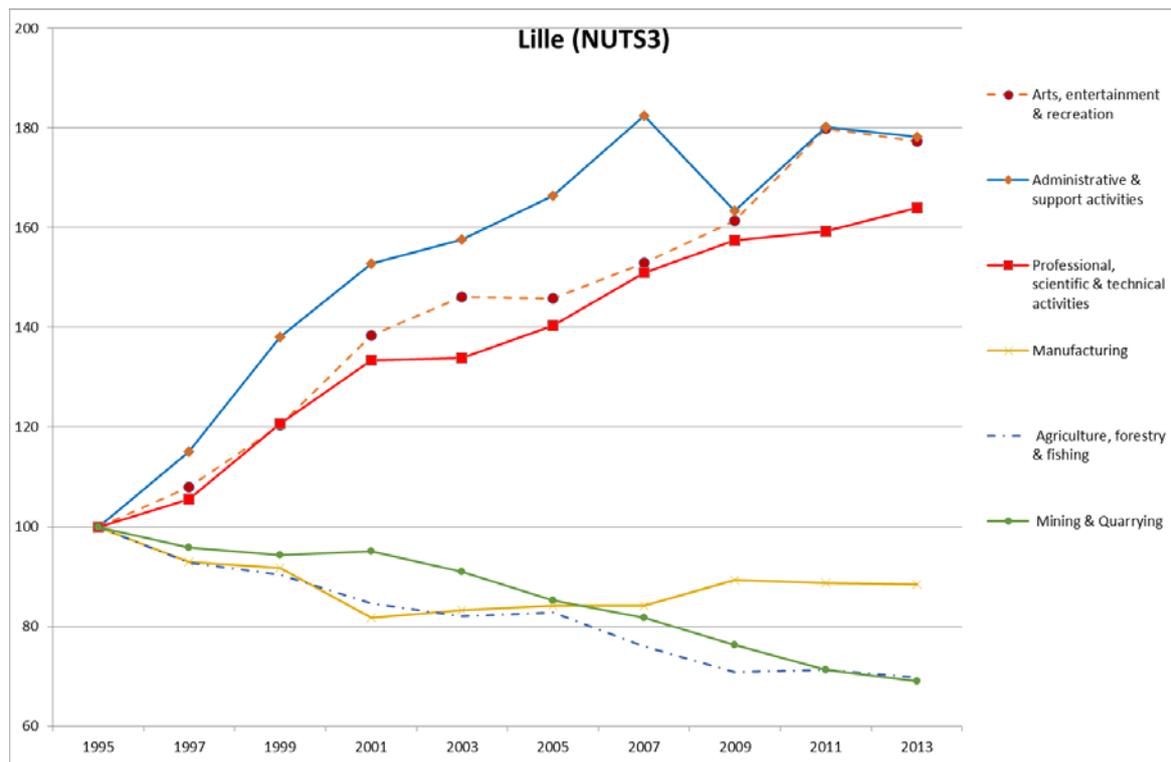
Plans for a high speed internet network, for both rural and urban areas and based partly on cable, were launched in 2011 aiming at completion by 2020. Public transport use was made easier by the introduction of a common 'PassPass' card allowing access to all networks, which will be extended to include other day to day, cultural, and touristic uses. In parallel the *marque "lille's"* was launched in 2012 and now serves as a common logo and identity for all the city's promotional material (*lille's* economy; *lille's* sport; *lille's* art). It has had a good reception. *lille's* is done by an agency which does shared work for the Metropole and others. It has around 120 projects a year and has created around 1,000 jobs in the period 2010-13, as well as getting over 5,000 articles about *lille's* into prominent world press publications.

¹⁸ See <http://www.redressement-productif.gouv.fr/semaine-industrie/bilan-2013-enjeux-et-perspective-plan-osez-lindustrie-metropole-lilloise>.

vii) Wider changes in employment

Looking at the changes across the Lille Metropole area using the LSE Metromonitor data and definitions, we can see (Figure 16) that the main increases in jobs from 1995 (used as the base year in the chart below) are in the three areas of arts and recreation, administration and support activities, and professional scientific and technical activities, while manufacturing, agriculture, and mining and quarrying have the sectors which have declined most.

Figure 16: Lille employment main gains and losses annual change (1995-2013) Base 100



Source: LSE Cities Metromonitor.

viii) Political Dynamics

The recent French municipal elections introduced considerable political uncertainty around local and metropole policies. Although Lille retained its Socialist Mayor, the longstanding national figure of Martine Aubry, who has led the City of Lille and the Métropole for over 10 years, the political balance changed in the wider Métropole, with Roubaix and Tourcoing moving to the right from their traditionally socialist positions as part of the wider shift away from the Socialists across France. The balance of power between right and left was then in the hands of more independent members mainly from the smaller communes, and the outcome of “political discussion” is that Damien Castelain, Maire de Péronne-en-Mélentois (a commune of 774 people and a surface area of 1.2km², but also a previous Métropole Vice President), has become the President of Lille Metropole.

6. Social Inclusion and Urban Renewal Priority

Background

Lille City gives overarching priority to social inclusion and cohesion, the Metropole has promoted the priority of promoting an inclusive and socially cohesive economy, encouraging local employment, small businesses and artisanal employment, working with the Commune based Maisons de l'Emploi to promote a return to work and access to employment.

The higher than average unemployment in Lille Metro is far more concentrated in the worst neighbourhoods where there is a starker difference in the job-seeking rates. These disadvantaged neighbourhoods are traditionally known as "Zones Urbaines Sensibles" (ZUS). These zones in Lille city show more than double the rate of jobseekers, compared to the overall Lille Metropole figure, as Figure 17 shows.

Figure 17: Unemployed as a % of people seeking work in ZUS, and non ZUS areas (2008-2011)

Lille City ZUS name	Unemployed as % of economically active (%)			
	2008	2009	2010	2011
Vieux moulins	25	25	27	26
Fives	27	27	28	28
Bois Blanc	21	21	21	21
Lille Sud, Faubourg de Bétune, Moulins	30	30	31	30
Wazemes	20	20	21	21
All Lille Metro ZUS	22	26	27	27
All Lille Metropole areas	10	12	12	13

Source: INSEE, Pôle emploi.

Between 2008 and 2011, in the Lille Metropole area, the rate of unemployed jobseekers rose from 10 per cent to 13 per cent, but in the worst neighbourhoods in Lille City the rates rose three times this. The unemployment rate in the Lille Sud, Faubourg de Bétune, Moulins was even higher than the ZUS unemployment average underlining the concentration of worklessness in these areas, compared to the city as a whole.

This mix of rich and poor is not new. For over 100 years the Metropole has housed both the richest and poorest in France, and this remains the case today. Well paid senior managers and long established Lille families with a history of successful investment in the area live streets away from the most abject poverty¹⁹.

Alongside, there is a 12 per cent rate of illiteracy amongst Metro 18-65 year olds in 2011, compared to 7 per cent in metropolitan France. In contrast, the proportion of people with a higher education level of Bac+2 (equal to two years of post-secondary school education), is higher than the regional 21 per cent - though the number of students in Lille skew the figures. The stark social divide between high achieving

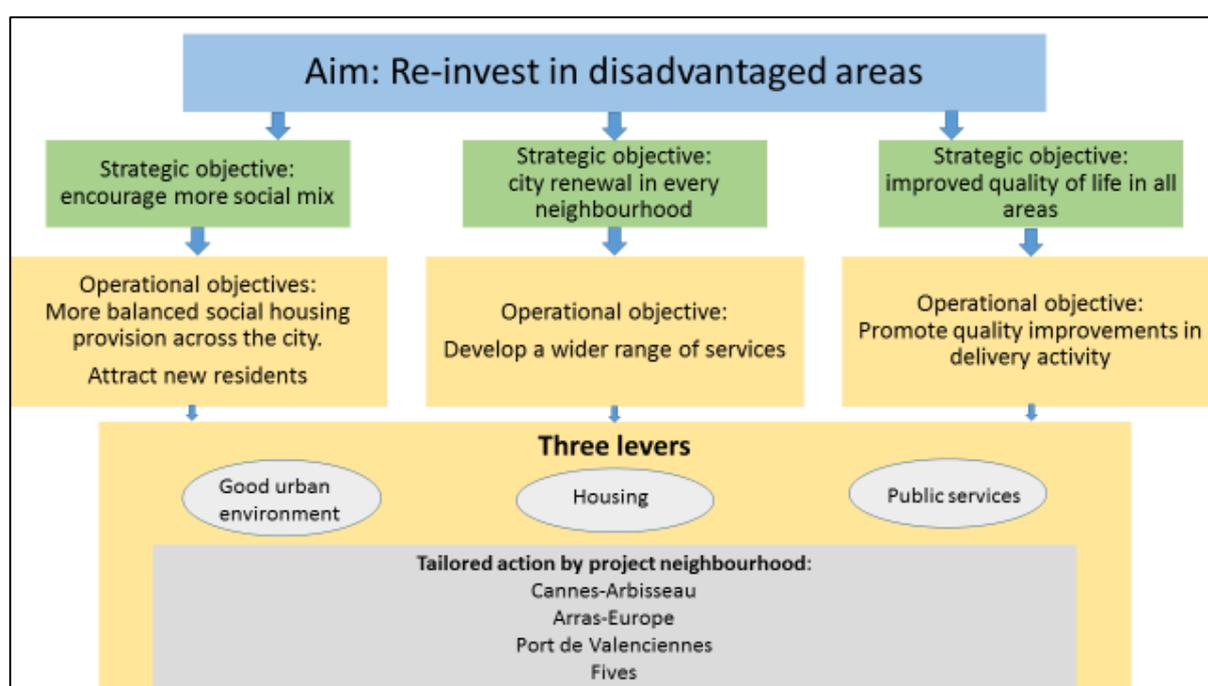
¹⁹ See, for example, Maurin, L. and Mazery, V(2014) *Les taux de pauvreté des 100 plus grandes communes de France* Compas Études, No 11 on the levels of poverty in Roubaix.

groups and those in the poorest neighbourhoods shows how far there is to go to achieve the strategic priority of “an inclusive and socially cohesive economy”.

Steps towards inclusive and cohesive cities

The concept of “La Politique de la Ville” emerged in France over forty years ago, although it has taken many forms as policy thinking has changed. The idea of inclusive action to address the problems of the poorest neighbourhoods is also a core element of EU urban policy²⁰. Programmes include physical rehabilitation, social action and linked activities to prevent crime, improve education, health, culture, skills and jobs. The aims and methods of the Lille Urban Renovation Programme (PRU) are clearly shown in figure 18²¹.

Figure 18: Lille Renovation priorities



Source: Ville de Lille, author's translation.

The important National Agency for Urban Renewal, ANRU (Agence Nationale pour la Rénovation Urbaine), provides considerable funds for special neighbourhood projects, and this programme will continue to provide funds until the last project is completed around 2018. Lille has applied for further funds in the next ANRU programme for a continuation project to address problems in the neighbourhoods which still require major works – in particular the Faubourg de Béthune and Moulins areas. The distribution of funds for the next round come under the new ‘Politique de la Ville’ arrangements in force from January 2015. These replace the previous ZUS neighbourhood boundaries with a series of smaller areas where the sole criterion for priority will be the average revenue of the residents in that area. Cities and Metropoles with

²⁰ Through, for example, the European Social Fund and the European Regional Development Fund; and the European Platform against Poverty and Social Exclusion. (<http://ec.europa.eu/social/main.jsp?catId=961&langId=en> (accessed 11/9/14).

²¹ Evaluation Globale du PRU de Lille, No 3, City of Lille 2012.

residents (whose important role in the planning has been underlined) will be expected to draw up priorities and bid for funds, with other partners. These funds will form part of a single city pot for integrated developments. There will be €5bn state (PNRU) funding for the 2015-24 programme nationally, which should attract three times that in matched funding. Up to 200 sites will be selected as priorities for spending.

The new allocation is less than half the original €12bn for the previous programme (with €34 billion in matching funding). Lille received €100 million ANRU funds in the previous rounds (for a total programme worth €482 million,) mainly for the Lille Sud/Valenciennes areas. For the next round of bidding Lille has got ahead by developing its bid as a pilot area.

Box 4: ANRU: the National Urban Renovation Agency

ANRU

Set up by the law of August 1, 2003 to implement the Programme National de Rénovation Urbaine (PNRU), ANRU is the largest national effort to transform 'distressed' areas classified in ZUS (Zones Urbaines Sensibles) or in other areas facing the same socio-economic difficulties. It does this by:

- rebuilding demolished social housing;
- rehabilitating and residentialising social housing;
- demolishing dilapidated housing in order to create better urban organisation;
- improving urban spaces;
- developing public services, including delivering new schools;
- creating or renovating social, cultural and commercial services;
- facilitating access to employment, education, culture in line with the policies that are part of the CUCS (Contrats Urbains de Cohésion Sociale).

ANRU approves the projects that it finances via public and private funds. It was created with the goal to simplify and accelerate the process of urban renovation for local authorities and social landlords. Before they had to address different financial and administrative bodies; ANRU is a centralised body which guarantees financing and establishes a precise calendar and building projects.

The original Lille programme focused on Lille Sud, Porte de Valenciennes, and the neighbouring area of Moulins. Further work is being done in six further areas: le Centre, Bois-Blancs, Fives, Saint-Maurice, Vauban-Esquermes and Wazemmes. The programme includes:

- a budget of €482m;
- rapid progress in bringing to fruition within 6 years a programme that would normally have taken 10 to 15;
- 3,400 new homes, of which 1,100 are to be social housing (replacing 750 homes demolished); 900 private rented homes, and 560 for owner occupation;
- internal improvement for 4,500 further homes;
- a further 400 new homes and 900 renovated homes for the private sector.

Evaluation of progress

There is now an extensive evaluation of the impact of the programme. This focuses on the three ANRU priorities:

- Social mixing in the neighbourhoods
- Improved presence and quality of city services
- Improved quality of life

The evaluations to date²² cover the extent of progress. Box 6 sets out the improvements in specific activities that attracted funding.

Box 5: Assessment of progress in poor neighbourhoods (quartiers sensibles)

Progress in quartiers sensibles

- the frequencies of buses now available is higher
- the vacancy rates and refusal rates for blocks in the areas is lower
- the income levels of tenants in social housing blocks is increasing slowly
- the economic activity of the residents is increasing (showing unemployment overall remained at 26 per cent in 2010, after having fallen a little in 2006-8 then risen again in 2008-10);
- the profiles of people moving into (often subsidised) owner occupation in the different areas (variable, with for example 92 per cent of new owners in one Lille Sud new block being previously from the area but only 12 per cent in another one); but 65 per cent of all the new owners being in higher salaried jobs
- a higher rate of growth of local employment firms in these neighbourhoods (22.5 per cent) than in the city overall (17.5 per cent) during 2005-10, though this varied between neighbourhoods (e.g. 31.8 per cent in the Lille Sud sector)

Lack of progress

- a very variable performance in relation to better bus service, depending on the neighbourhood
- generally lower levels of participation in presidential elections than in the city overall, with this participation dropping even more sharply between the 2007 and 2012 rounds

²² Ville de Lille/Lille Métropole (2013) *Evaluation globale du PRU de Lille* Rapports 1-6.

Figure 19: Extensive new building in Lille Sud



The Lille Sud area, which is a priority for action shows a more detailed indication of progress. The current programme is on course to achieve the following, for a €77m budget:

- 346 homes demolished
- 900 new homes
- 477 rehabilitated homes
- 651 homes improved through external environmental works
- 1,600m² of new commercial provision
- a new hotel
- a new school, and social centre
- a green corridor, walking route, and park covering 4.5ha

Figure 20: Allotments and green spaces in Lille Sud



Figure 21: Rehabilitation and external works in Lille Sud



The targeted neighbourhood investment is making a visible difference and is helping to attract a more diverse and self-sufficient population. These positive results suggest progress in many respects. Perhaps the most striking indication of progress is to walk round Lille Sud and observe how it had been physically transformed into an area of open, well landscaped, architecturally dynamic and mixed housing, with new, attractive public buildings and an air of calm normality. The exception was a few remaining places where open drug taking still takes place. This type of physical transformation is what ANRU was set up to stimulate and Lille has used the resources effectively. In spite of this progress, overall unemployment rates and poverty rates in these neighbourhoods remain much higher than in the rest of the city.

Wider city trends in neighbourhood integration

The changing nature of different neighbourhoods across the city attracted considerable attention as the process of upgrading and social mixing spreads. A detailed study²³ examines the characteristics of small, targeted neighbourhoods in all areas of the city, in relation to tenure, size, construction date and socio-economic status of the residents. Further analysis explores whether different types of area – poorer or richer – were ‘open’ to different types of household. For example, richer areas becoming more mixed through an increase in numbers of less affluent residents, or remaining ‘closed’ to different types of resident, as happens in the exclusive expensive neighbourhoods.

The study shows that different types of neighbourhood develop their own identity. For example, the worst neighbourhoods become closed pockets of poverty which better off families avoid. This is not linked directly to specific property types, ages or incomes as some similar neighbourhoods differ in their levels of openness or mixing. Rather location, level of services and similar assets make the difference.

The main results of the study which tracked resident moves and vacancies over 4 years reflect the mixed nature of the city:

- Overall, students are ready to move anywhere;
- There is a slow but clear process of gentrification occurring from the centre of town and gradually moving outwards;
- The exception is the poorer neighbourhoods which remain ‘closed’;
- There is an overall predominance of single people or couples, including many students and higher income couples;
- Families find it difficult to remain in the city, although some poorer neighbourhoods which are not ‘closed’ are attracting more families who want to remain in the city and attract new families moving in;
- ANRU funded estates in general attract better off residents, but only those who are already residents of Lille, rather than families moving in from outside the city.

ANRU investment has clearly helped to shift the balance in these areas towards a more economically mixed population. The core problem remains: how to provide more housing (particularly street properties) which would attract and retain new and existing families, without creating more demolition. Holding onto students after graduation is also a problem, in Lille more so than some other big university towns. The size of the tertiary sector in Lille limits the potential for employment of graduates. Although high grade jobs are one of the motors of Lille’s economy, there are not enough of them in a city of 225,000 people to attract and retain large numbers of students graduating each year, nor higher earning families.

²³ Lévy, J-P. & Salingue, J. (2013) *Mission d’assistance méthodologique et d’enquête dans le cadre de l’évaluation de l’impact du projet de rénovation urbaine de Lille en matière de mobilités résidentielles et de diversification social des quartiers*. GIP Lille Métropole Rénovation Urbaine, Lille.

Is Lille becoming a more socially equal city?

There is no doubt that the PRU renovation programme and ANRU funding have had a major impact on the quality of life in the worst neighbourhoods with some notable successes. This is partly because the ANRU funding has been complemented by city funding on a significant scale over the last ten years. In the early 2000s Lille had one of the lowest debt levels in France and decided to invest for the future. The city's debt is now similar to the average. Some of this money was spent on rapidly developed community facilities such as neighbourhood-based community centres, which had variable success. Other funds developed excellent new schools and social services, generally considered to be delivering good value.

The main barrier to further progress is long term and exceptionally high unemployment in the poorest neighbourhoods. Lille still struggles with this problem. In 2010, following the crisis, three new priorities for action were agreed to create better links into jobs for excluded residents; and more concentrated efforts to work with public and private partners. Across the EU and in France, studies have shown the difficulties of ensuring that local economic growth leads to improvements for the most marginalised communities. Different actions may be needed for different types of city depending on the local economy and local problems – but the over-riding conclusion is that special and targeted efforts help, but on their own they are not enough.

Culture

Culture has played a prominent role in Lille's efforts to make the city more attractive and the quality of life better. It is attempting to shed its image as a cold northern city in an area of mining, steel works, and bleak landscapes, to attract new industry and new residents. It is also seeking to make cultural activity an integral part of life in the city and its neighbourhoods, encouraging many more diverse activities and civic engagements than traditional arts. There is a vigorous programme in Lille of introducing musical instruments to school children – every school has a piano. This is particularly successful in the Quartier Sud.

The highly successful 2004 European Capital of Culture, which grew out of the unsuccessful bid to hold the Olympic Games in Lille in the 1990s, initiated this approach and formed the basis for making the city more attractive to existing and prospective residents. The Gare Saint Sauveur and its gradual transformation into a multi-use cultural, social and enterprise centre formed part of the cultural shift. Some progress is delayed by the remaining large section of the Gare Saint Saveur site which is still owned by SNCF who consistently refuse to sell it for a price considered reasonable, halting development there, although there has been recent progress and a plan for a further phase is being consulted on.

Three neighbourhood arts and cultural centres, *Maisons Folie*, opened in 2004 to provide local bases for regional, national and international artists, and for the local population to develop local artistic projects on an informal basis.

One example of the city's cultural flair was the production of *An Opera in a Day* in the Gare Saint Sauveur in 2014 which brought together professional musicians and singers with residents from the community who wished to take part – for example, providing on-the-spot tuition to encourage people to play an instrument which they had never touched before. The event attracted many participants and was a major talking point across the city.

At the Wazemes Maison Folie, a converted local factory, professional choreographers created a community dance performance. Other events included exhibitions by local artists and artisans, hip-hop

and funk music events, a themed *Bal Panthère* music and dance event, and several theatrical productions in the newly built performance space. There are regular hip hop workshops with visiting artists in some neighbourhoods, attracting strong participation from amongst the local neighbourhood residents. These events have been funded by the City. One problem with the Maison Folie is that it is easy to deal drugs in these open door centres. A further threat is posed by cuts to budgets for cultural activities which are curtailing activity.

Figure 22: Wazemes Maison Folie



The Gare Saint Saveur also focuses on family events. New investment in youth is coming from the private sector. *Décathlon* (now trading as *Oxylane* and part of the Lille based Auchan group belonging to the local Mulliez family) has developed a new concept to involve young people in product design through sports activities. There was already a facility of this kind at Villeneuve d’Ascq and there is a plan to build a new one in Lille Sud. Getting young people to do sports, activities and training, linked to the development of new products – bicycles and shoes etc. – which are then sold in the large store on site generates confidence. This successful model provides a fast and flexible way of engaging with young people who are also customers in design, and sporting activities, while developing market-tested designs.

Overall in the Lille area, there are 2,038 cultural and creative firms, employing 16,845 people, or 3 per cent of the Lille Metropole economy (2010 figures)²⁴. Of these, 81 per cent have fewer than ten employees, 32 per cent are based in the city of Lille and a further 10 per cent in Villeneuve d’Ascq. The main activities are:

- printing (17 per cent)
- publicity agencies (16 per cent)
- website design (12 per cent)
- architecture (7 per cent)

²⁴ *Les industries culturelles et créatives dans l’arrondissement de Lille – Etat des Lieux*. Observatoire Patronial de l’Economie de Lille Metropole 2012.

Printing has declined recently losing 2,000 jobs. In contrast between 2000 and 2010 growth has been seen in:

- performing arts (420 jobs, a 73 per cent rise)
- architecture (475 jobs, 61 per cent)
- film production (232 jobs, 79.5 per cent)

In 2010 there were 1.953 'cultural' jobs, of which 50 per cent were in the city of Lille. 44 per cent of (867) jobs were within performance arts, followed by management of arts (307 jobs).

In addition, Lille is part of the European-wide project 'European Creative Cluster Lab'²⁵ whose aims include designing new collaborative approaches between creative clusters and cross-sectoral collaboration between creative and traditional industries, with a view to encouraging and managing a link into the wider creative SMEs, which play a small but dynamic role in the wider economy.

Tourism

Lille promotes itself and its cultural activities as a tourist destination, not least due to its excellent transport links. Recent figures from the Lille European Metropole²⁶ indicated there were not 126 venues and 532 meeting halls for business tourism, including the major conference centre Lille Grand Palais with a capacity of up to 4,500 delegates. There are also 19,000 tourist bed spaces available, 6 national standard museums, and 30 local museums, two nationally recognised gardens, and several nature reserves and 'green corridors'. In total there were 11,90027 tourist industry jobs in the City of Lille in 2014, and 32,000 in the Lille region as a whole. These catered for between one and two million tourists, of whom 55 per cent are foreign visitors, of 60 different nationalities and from 5 continents.

²⁵ <http://www.eciaplatform.eu/project/eccl/>.

²⁶ <http://www.lillemetropole.fr/mel/institution/competences/tourisme.html#> accessed 12.4.16.

²⁷ INSEE, 2014.

7. Environmental Actions

Lille prides itself on breaking new ground in sustainable development. Its previous Mayor, Martine Aubrey, was deeply committed to this approach, integrating social, economic and environmental progress. There are three main strands in Lille's environmental commitment: first, the Agenda 21 launched at the Rio Summit in 1991; second, energy saving and renewable energy; third, signing up to the ambitious, region-wide plan to achieve 60 per cent reduction in energy use by 2050 through a third industrial revolution.

Agenda 21

Lille has long been a leader in the Agenda 21 movement in French Cities since it was first launched. The 2013 'Sustainable Lille' report restates the initial 1995 commitment to sustainable development, set out in both the original 2001 Agenda 21 report and its 2010 update. These set out the five key priorities:

- combatting climate change and greenhouse gasses
- preserving biodiversity and natural resources
- enabling personal fulfilment
- social cohesion and solidarity
- promoting responsible means of production and consumption

The report notes three achievements for Lille in 2012/13. First, the opening of the 'Sustainable Housing Centre' in October 2013, a dedicated information and advice centre to assist Lille citizens in understanding best practice in insulation, energy efficiency and the use of sustainable materials. It encourages them to adopt energy efficient retrofit methods, offering practical advice. Second, the election of Lille as French Capital of Bio-diversity in 2012, based on its promotion of parks, open spaces, water ways, community gardens, etc. Third, national recognition for the Rives de la Haute-Deûle re-development as a formal "eco-neighbourhood" following the national standards²⁸. Lille is now developing several neighbourhoods following this model, encouraging citizens to be far more environmentally aware and offering them a clear model.

A report on sustainable development in Lille²⁹ showed that the original Agenda 21 had made good progress in many areas, but highlighted the continuing problems in bringing benefits to poorer neighbourhoods and residents. The 2010-14 programme was specially designed to provide more engagement and demonstration projects. One of these was the Sustainable Housing Centre where people could get hands-on information about insulation and other benefits. The more detailed elements of the 2010-14 programme are below. They illustrate just how extensive and thorough the approach is.

²⁸ An *ecoquartier* or eco-neighbourhood is a development following sustainable development principles as set out by the French Government, and for which certification can be applied – see <http://www.territoires.gouv.fr/les-ecoquartiers>.

²⁹ Ville de Lille (2011) *Rapport sur la Situation en Matière de Développement Durable*.

Figure 23: Inside the Sustainable Housing Centre, showing insulation options



Box 6: Agenda 21 Programme 2010-14, main actions

Lille Agenda 21 for 2010-14 – main themes for action

Modes of production and consumption: City policies on green purchasing, better management of waste, promotion of recycling, locally grown food in schools, new businesses for producing green goods, public information and education activities.

Energy and climate plan: reduction in energy use in all city facilities including social housing units (to save up to 45,000 tonnes of CO₂p.a.); reduction in energy use for public lighting and heating (36 per cent reduction for lighting in 5 years), actions to reduce fuel poverty and the impact of climate change on the most excluded citizens, production of a thermal map of the city to identify hotspots and engage public awareness.

Health and sustainable development A new aspect of the 2010-14 plan involving improvements to nutrition and health, particularly in disadvantaged neighbourhoods, including 50 per cent organic products in schools, reduction of carcinogenic and poisonous substances; employment health; improvements in air quality.

Sustainable city and housing: Engender a collective and dynamic identity; develop a good quality of life for all in all neighbourhoods; reduce social inequalities and environmental degradation. This includes the development of 7 'eco-neighbourhoods'; higher thermal and eco-performance through renovations and in new build; grants for insulation works, solar cell installation; surface water collection and related works; non-polluting public transport and support for cycling; considerable investment in public information and support including guides, training, supporting small eco-businesses and individual support, including a new 'Green Centre'; and a new strategy for water management.

Culture: Supporting the greatest possible diversity of culture; improving the quality of cultural education and facilities; ensuring that cultural events are eco-proofed; organising events to promote and engage residents in climate change including training 120 activists, and holding regular social events ('Dances at Fives').

Biodiversity: Development and protection of green spaces; an inventory of biodiversity; community gardens; reduction of pesticides; promoting bee habitats; climbing plants on walls and plant and insect-rich city streams.

Source: City of Lille, and adapted from Provan B and Kudowski C, 2011.

A 2012 report³⁰ shows positive progress in the rehabilitation of existing buildings, the approach to new building and the progress in reducing car transport through densification of the city. This report also reviews the performance of the social housing stock, including insulation and district heating, with recognisable progress. A further update report³¹ confirms the specific areas of activity where progress is being made.

³⁰ Lille Metropole Habitat: Bilan GES de l'activité. Indigo : Chambéry 2012.

³¹ Lille Durable- Rapport 2013 Ville de Lille 2013.

Box 7: Progress on Lille Agenda 21 by 2012

Progress on Lille Agenda 21 by 2012

- 8 per cent reductions in the use of energy in municipal building
- 4,694m² of solar panels on municipal buildings
- 77 per cent of municipal paper recycled
- 45 per cent of all food in nursery and primary schools from organic sources
- 52 per cent of all new buildings exceeding statutory energy efficiency standards
- 240 loans to low income households to assist with energy installation in 2012 (part of a Region wide programme administered by each city or commune)
- 25 per cent of priority suppliers signed up to sustainability clauses in their contracts
- Cycle tracks built for 33 per cent of suitable roads and paths
- 18 per cent of city employees using public transport to get to work in 2012 (up from 15 per cent in 2011)

Energy saving and renewable energy

The commitment to energy efficiency and green sources of energy shows up in the major rehabilitation works funded by ANRU, in the distressed neighbourhoods. This investment in part reflects the need to conform to relevant national government 'green' standards. There is a continuing commitment to work on existing brownfield sites, for example the large scale upgrading and development of the Rives de Deuil site. The energy saving and renewable energy commitment is also applied to the eco-neighbourhoods.

On the other hand, there is pressure for green-field development – not least as some of the brownfield sites require extensive and costly treatment to make them reusable, and are complex to develop. The up-front investment is large, but there are potential long term savings. The lifetime costs and impact on the environment is clearly lower with the use of brownfields. The overall viability and sustainability of the city depends on higher density, as Lille always has been a lower density city than the French average, and density has fallen further over the decades of decline – although it has risen again in the last decade.

Third Industrial Revolution

The urgency of tackling climate change, the need to cut the use of fossil fuels to as near zero as possible over the next 30-40 years, and the potential for local generation of renewable energy, has led many leading cities to adopt a climate action plan with these goals in sight. The infrastructure and investment requirements for such an energy transformation are vast, with enormous potential for job creation, pollution reduction, enterprise development and community cohesion. The shift required has been called the 'Third Industrial Revolution', and the Nord Pas de Calais region, with backing from Lille metropole and

Lille city, has adopted a plan to shift its energy production and consumption patterns in favour of this revolution. It requires nothing less. There is also sometimes a problem of owners being unwilling to sell. For example the remaining very large section of the Gare Saint Saveur site is still owned by SNCF who consistently refuse to sell it for a price considered reasonable. This is halting development, although there has been recent progress and a plan for a further phase is being consulted on.

There are many pressures on Lille to roll back the progress that is being made in public transit, greater urban density, more sustainable, energy-efficient development. The approach and policy focus of the newly elected Lille Metropole authority will be decisive. There is pressure from some parts of business, and some parts of more conservative elected members, to dilute the 'denser city' approach. The pressure on the main motorways is intense. Given the key role of distribution in Lille's economy, there is a growing mood to shift expenditure from the current focus on public transport, dense brownfield redevelopment and environmentally friendly activities towards more growth-oriented development of the wider transport networks around Lille, particularly the roads. However, the momentum in the city towards environmental sustainability is likely to continue and new carbon-cutting targets, expected in 2015, are likely to confirm the trends outlined here.

The 'Third Industrial Revolution'³² feasibility report has been backed by the Region, Metropole, Département and CCI. The proposals for the 'Third Industrial Revolution' complement the industrialisation proposals that the city, Metropole and region, have already adopted. They also fulfil the city's strong energy saving commitment. This plan requires intense collaboration, considerable investment, skill building and co-ordination to progress.

³² PPI Consulting 2013 *The Third Industrial Revolution – Nord Pas de Calais. Master Plan.*

Box 8: The "Third Industrial revolution" plan in Nord-Pas-de-Calais

Vision: *"Internet technology and renewable energies are beginning to merge to create a new infrastructure for a third industrial revolution... Millions of people will be able to produce their own green energy in their homes, offices and factories and share it with each other in a distributed "Energy Internet". This will create thousands of new businesses and millions of jobs and lay the basis for a sustainable global economy in the 21st century.*

Pillars of Action:

1. Move to only renewable energy production in the Region
2. Large scale retrofitting of buildings; ex-industrial sites to become green 'Biosphere valleys'
3. Energy storage facilities including a regional hydrogen grid and biomass methane storage
4. 'Energy Internet' smart grid to be developed, including energy consumption data, cross border energy exchange, real-time re-distribution to industrial or domestic uses
5. 'Plug in and fuel cell transport' and an integrated Logistics Internet for goods transportation

Impact: The impact of this on Nord-Pas-de Calais including the city of Lille, would be near zero cost energy and trigger a new industrial model of growth.

Cost: The programme will require €6bn investment a year to reduce energy by 60 per cent in 2050. This will create a net 150,000 jobs. It will require a shared political consciousness of the bio-sphere to be encouraged by the Universities, amongst others.

The collaborative planning so far suggests that Lille and Nord-Pas-de-Calais' role in leading the first industrial revolution, and sharp decline during the second, would make it very appropriate for the region to lead this third industrial revolution. The aim set out in the preface is to develop *"a practical and scalable economic development plan that can put Nord-Pas de Calais back to work, address global warming and create a sustainable quality of life for its citizenry. The region's example, in turn, can become a beacon of hope for the rest of the world"*. The current focus is on attracting businesses and citizen organisations willing to kick-start the process and on supporting specific projects that move the region and city in that direction. There is a long way to go before the dream becomes a reality, but as a step in the right direction, it is among the most adventurous.

8. Emerging conclusions

Lille has weathered the crisis, maintained jobs and grown the service sector. It has expanded office development and sustained lettings of available space. It has retained stable population figures and a relatively strong employment market. Lille is France's second biggest office/commercial market outside Ile de France. Office lettings have barely slowed with the crisis and large national companies continue to locate or relocate headquarters and regional centres to Lille. The government funded renovation programmes in poor neighbourhoods have continued with significant demolition, rebuilding and high environmental standards.

There is a strong commitment to the environmental principles of building a dense, renewed city with carefully integrated strategies for the city and Lille Métropole as a whole. This cooperation extends to cultural activity, city image and external promotion. Lille excels in meeting national standards for environmental protection, with national recognition for this approach. The city's historic legacy of mines and factories in the industrial north is being replaced by the reputation of a vibrant cultural and economic hub in the heart of north Europe's biggest conurbation. The third industrial revolution, promoted by the region, has ambitious, futurist proposals which seek wide-scale, citizen-based, economically attractive solutions to the energy and global warming crisis.

The physical improvements, funded by the ANRU/PRU renovation and renewal programmes, have delivered impressive physical changes and improvements to the priority neighbourhoods. New open spaces and green walkways link a range of mixed tenure buildings and new public spaces and facilities. This has transformed the previous image of Lille Sud and other poor neighbourhoods from threatening and unwelcome places into attractive and open-access areas. In these areas owner occupied and private rented homes are now popular. This introduces a more economically and socially mixed population to previously excluded neighbourhoods. Overall, public services have improved within these neighbourhoods.

The investment in research, innovation and links with Universities, the main hospitals, and professional training institutions have produced a thriving economy of small and medium firms. Larger international companies such as IBM and Microsoft are partners, and the SME sector continues to grow. The development of emerging enterprise clusters dating from before the financial crisis has worked well, and has helped the city sustain economic progress in a poor economic climate.

Lille exploits its near-by domestic and cross frontier market, with short delivery chains and quick responsive turnaround times to meet new demands for textiles, agricultural products, professional services, creative goods, IT, and advanced manufacture. The modern transport hub of Euralille, provided by Eurostar, has created distribution enterprise opportunities due to Lille's location and connections.

There are many challenges. The population is skewed by over 100,000 youthful students and older people in the city. There has been some progress in re-balancing some of the poorer neighbourhoods, but far more needs to be done. Even in areas like Lille Sud where there have been major physical improvements, unemployment remains two or three times the city average. The need to upskill young people and others far from the labour market and link them directly into some of the new job opportunities is acute. But progress remains slow and results are not yet solid enough, a common problem across many cities that have lost their major industries. It is still hard to retain families in the city

and there are too many areas they reject. Families live mainly in the suburban areas; and too many educated young people and young families fail to put down roots in the city.

Meanwhile, traditional industry continues to decline. Young people generally regard training for industrial jobs, or working in the more traditional industries, as poor options. There are continuing industrial closures and vulnerable car manufacturers may lose up to 30,000 jobs. It is not clear whether replacement industries will develop as traditional industries decline.

Funding is likely to decline in the coming period. Private capital remains difficult to unlock, the Eurozone crisis is not resolved; the French economy remains stagnant, with high levels of dissatisfaction with the current government; public spending is being cut; and unfunded transfers of financial responsibility to cities are planned. Although state funding for existing programmes will continue to 2018, the scope for further new publicly sponsored developments is narrowing. Lille is unlikely to want to increase its current level of debt.

There is an uneasy political balance between the city and the Metropole government since the elections in May 2014. As yet there is no clear agreed programme nor the tools to make decisions at a political level. The coming Territorial reforms (abolishing the Departments and replacing 85 tax levying mayors in the Lille Metropole with one elected executive president) may bring much greater clarity – but not until 2020. Meanwhile, the multiple layers of administration are still over-complex, and proposed reforms, locked in complex negotiations.

Lille's long-term transformation started in the late 1980s and 1990s and continues, helped by high levels of public investment and private investment by locally based large firms. It may still be too early to see clearly how Lille emerges from the long Eurozone recession following the 2008 crisis. That crisis is still unravelling, and the waves of previous funding and development which have carried Lille this far are beginning to retreat. However, the city has laid the ground for sustained progress along several important channels:

- Sustainable development and environmental care with a major focus on brownfield sites and reclaiming disused buildings;
- Advanced industrial and high tech development, based on the successful cluster approach;
- Higher education and training;
- Mixed, integrated neighbourhood renewal, leading to a more attractive city;
- Diversification of the economy leading to job creation, job growth and employment access;
- Social progress on many fronts including cultural activity.

These trends and the delivery that goes with them bode well for the future of the city.

Annex: Wider impact of the 2008 crisis in France and Europe

Overview: EU context

The survey of cities and the economic crisis by URBACT published in 2010³³, based on responses from 131 cities across Europe, provides a context for Lille's experience. At a European level there is political commitment to the 'Europe 2020' vision of emerging sectors and activities which are smart, green and inclusive, and there are practical difficulties of navigating the changes in individual cities. One finding of relevance to Lille was that cities that had already restructured their economies during previous crises – including those in East Germany – seemed to have found the current crisis less difficult to manage³⁴. Also of relevance to Lille is that city economies based on SMEs operating locally seemed to have more resilience, as did cities with a larger service sector (forming an important part of the Lille response). The French experience of business start-ups is also important. The total number of new start-ups in France stood at 300,000, rising to 580,000 in 2009 including a 55 per cent rise in Lille Métropole, mainly due to the new 'auto-entrepreneur' status created in early 2009. Doubts remain about whether this was simply a new form of forced self-employment. Overall, in most of the surveyed cities (including Lille) young people were hardest hit by being the first to be fired, or being on short term contracts which were not renewed. EU unemployment rates for the under twenty-fives were double the average at over 20 per cent, or over 50 per cent in countries such as Spain. Finally, many cities noted problems in developing public private partnerships for housing or infrastructure projects, with concerns for the longer term continuation of these plans.

Lille in the wider French context

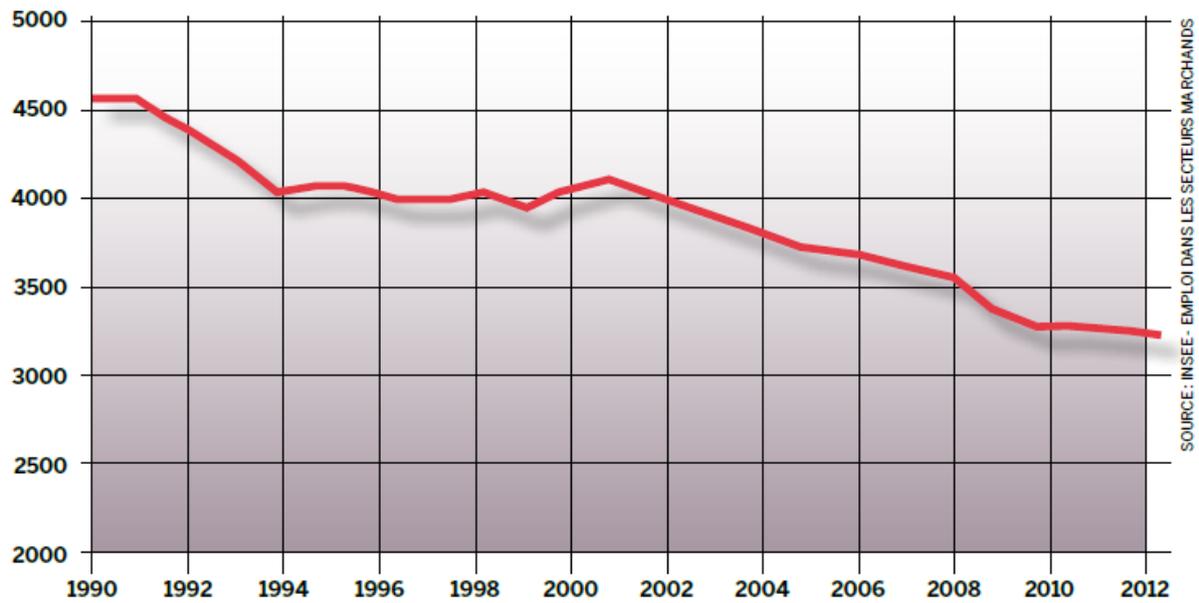
Lille's development and recovery is necessarily dependent on the wider context of how the French economy as a whole was affected, and the French government's policies to address the crisis including the decline in industrial jobs (Figure 24). A recent report "*FNAU Files – the crisis, industry, and the places*"³⁵, provides an essential overview of this context, including specific information about Lille. It starts with a brief overview of the continuing importance of manufacturing in driving research, innovation, and exports despite jobs having declined by 30 per cent over 23 years, from 4.5m to 3m.

³³ Ref Cities and the Economic Crisis, URBACT 2010.

³⁴ URBACT *Ten Urbact cities respond to the crisis* URBACT 2011.

³⁵ Fédération National des Agences d'Urbanisme (2014) *Les Dossiers FNAU – La Crise, l'industrie, et les territoires* ».

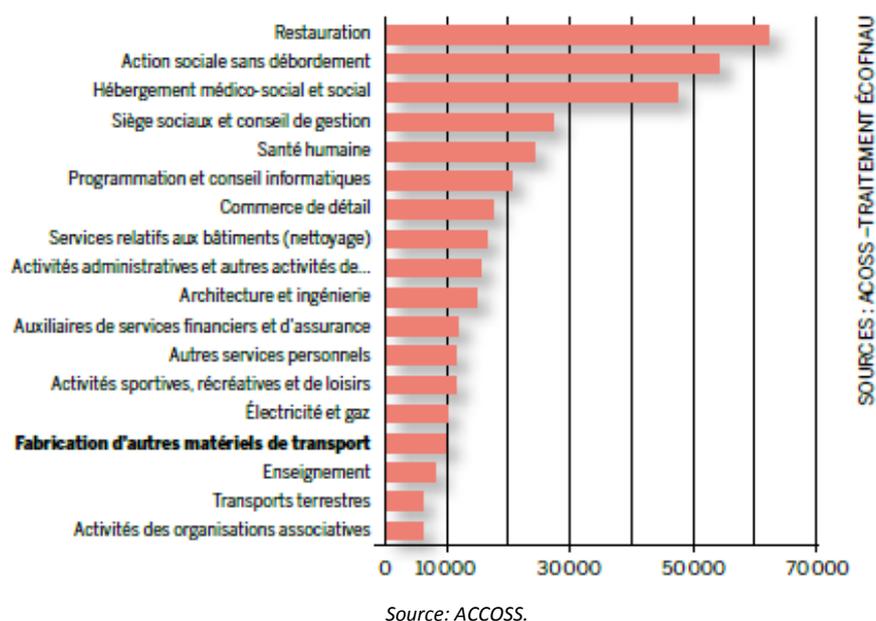
Figure 24: Decline of industrial jobs in France since 1990 (000s)



Source: INSEE.

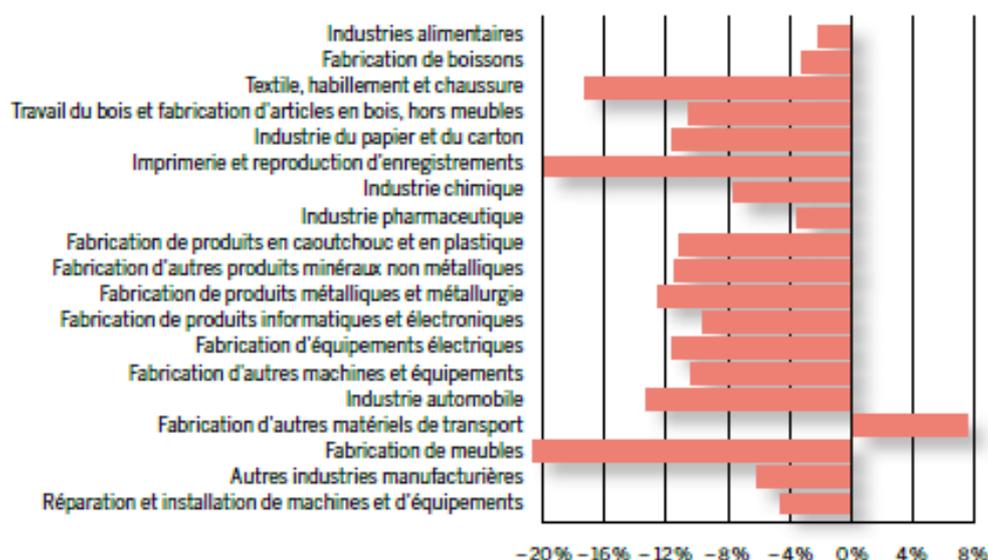
Although overall productivity in France had increased by around 29 percentage points, the non-energy balance of exports and imports had gone from a positive balance of €25.5bn in 2002 to a net negative balance of €-25.4bn in 2002. This is particularly in relation to the growth of imports of ITC products, clothing and pharmacological products. Amongst key underlying reasons was a lack of research and innovation (despite investment in R&D); innovation tied too much to technology and not to the market; too few companies of under 250 employees; insufficient social dialogue; poor delivery-chain relations; and difficulties obtaining finance. Looking at the major sectors of decline and increase in jobs across France in the period 2008-12, restaurants, and various social and medical actions have grown most, followed by IT related activities in sixth place and only one industrial sector – some types of transport construction (mainly for airplanes and ships) – figuring in the top 18 (Figure 25).

Figure 25: Greatest employment creating sectors in France, (2008-2012)



Meanwhile the greatest declines in industrial jobs (Figure 26) occurred in furniture making, cars, metallurgy and metallic objects, printing and textile/clothing/shoes, all dropping between 12 and 20 per cent. Other European countries – particularly Germany – were suffering less. This is partly a question of innovation and quality. One Lille interviewee noted (not entirely seriously) that although the French had coordinated the successful production of the world’s largest and greenest A380 aircraft, small German businesses were getting ahead through a dedicated and innovative focus on creating and marketing internationally the best ever new ‘green’ nail.

Figure 26: Job reductions in the industrial sector in France (2008-2012)



The FNAU report moves to comparing different French regions and cities. Overall in 2008-2012 the Nord-Pas de Calais region was among the worst hit regions with losses overall of over 14 per cent of its industrial jobs (if Lille-Roubaix-Tourcoing, Saint-Omer, Douai, and Lens-Hénin are included). However, Lille itself was not so severely hit. Within the Lille-Tourcoing-Roubaix Metropolitan area some 39,500 industrial jobs remained in 2012 (down 14.5 per cent since 2008). These jobs made up 9.9 per cent of the total job market (down from 11.6 per cent in 2008), principally in the food and textile industries. Since there was an overall national loss of 24,000 (22 per cent) of textile and clothing industry workers, this partly explains the impact on Roubaix-Tourcoing. Interestingly in the electronics, IT and optical sector there was additional employment created, including in Lille.

The report suggests that France is divided in two with a line roughly from Caen in the north to Saint-Étienne in the south, with areas to the north east of the line in decline and areas to the south west continuing to function reasonably well. The employment areas growing in those successful regions include aeronautics and naval development, food and agricultural technology, new metals and chemicals, and certain chemical industries.

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