

# Introduction

## Regions and territories: Evolutions and changes

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**Abstract** – This special issue deals with three topics that dominate the current public debate on the regions and territories of France: the architecture of territorial institutions; the supposed divergence between metropolitan and non-metropolitan areas; the impact of technological transformations and globalisation. On the first point, particular attention should be called to the weak theoretical foundations underpinning a very empirically run reform process. While the complexity of territorial organisation is not specific to France, the relatively limited powers granted to the local authorities is even more so. On the second point, the much publicized image of the “two France”, contrasting that of metropolises and their globalised elites to that of the suburbs and the losers of globalisation, is disputed. If there is a social divide, it crosses through cities and territories. Lastly, with regard to the criss crossing effects of technological change and international trade, it is important to acknowledge the trends toward bi polarisation in qualifications, as well as to take into account the complexity of its spatial effects, in contrast to some popular misconceptions.

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Keywords: territorial reforms, metropolisation, spatial inequalities, technological change, globalisation, polarisation of qualifications

Reminder:

The opinions and analyses  
in this article  
are those of the author(s)  
and do not  
necessarily reflect  
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The journal's last special issue dedicated to "territorial disparities" dates back to 2008. In the decade that has since (nearly) elapsed, the face of France has significantly changed. And, perhaps even more so that the objective changes, the discussions and controversies about the territorial dynamics at work in our country have taken on new forms. The financial crisis that started in 2007 has changed the landscape, uncovering the great vulnerability of many territories of longstanding industrialisation, and marking, through an increasing number of often very sharp breaks with the past, what can be considered the end of a cycle initiated with "les Trentes Glorieuses", the period of thirty "glorious" years in France, between 1945 and 1973. In 2012, Laurent Davezies warned of the predictable scissor effect between this manufacturing crisis and the likely retraction of transfers that had long played an essential part in dampening and reducing inequalities between rich and poor regions (Davezies, 2012). At the same time, in contrast to the decline of old industrial capitals, the large cities, and in particular those of the West, thrived, attracting the bulk of job creation (in absolute volume terms, at least). The new emerging economy – let us recall that in 2008, the smartphone had not yet taken off, Amazon was a second-tier player, and Uber did not even exist – thus appeared to be accompanied by a "metropolisation", based on the resurgence of "agglomeration economies".

In this context of crisis and profound transformation, the recurring theme of how to reorganise the notoriously complex territorial weave took on a new dimension, in that it was now explicitly linked to economic development issues, and not only to efficient administration. In 2008, when Le Grand Paris was unveiled by President Sarkozy, it was presented as a way of asserting and strengthening the capital city's role as a locomotive to the national economy – a role which was recognised only then, and in a complete departure from the "Paris versus the French desert" model that had prevailed up to that point, wherein the city, seen as predatory, needed to be bridled and re-balanced in its development, even as the said model had, from the start, served as the DNA of regional planning *à la française*. The laws passed under President Hollande's five-year term (MAPTAM and NOTRe) also acknowledged the catalyst role of "metropolises" – even if this extended the list a little beyond what this term might mean in an international comparison. The downside of this decision soon became clear. Many members of Parliament, finding that too much was being done for these metropolises, and observing the growing difficulties faced by small and medium-sized towns, endorsed the idea of a dual France, a widening gap between France's globalised elites, entrenched in the hearts of big cities, and the France of the excluded, the forgotten of growth and modernization, that of the "outer urban" areas, as they were termed in the highly-successful books of Christophe Guilluy (Guilluy, 2014). In the eyes of many observers, the last electoral cycle, in fact, appeared to confirm this pattern of a two-track France, through highly mediatised maps, such as those of the Front National vote, to the point that this pattern is now considered by most commentators as almost self-evident.

In this brief narrative, mixing facts and common representations, not everything is false, but many points deserve discussion, nuance at least, and sometimes more radical disagreement. It is the role of researchers to challenge popular belief, and tirelessly contrast the complexity of reality with the power of media simplification. This special issue on "Regions and Territories", makes a useful contribution in this regard, by providing precise, substantiated and quantified analyses of France's territorial dynamics. These analyses sometimes confirm, but also often bring necessary perspective to, or even outright disprove the dominant thinking. As such, they should be of interest not only to readers wishing to gain a less schematic picture of the

current state and future of our country, but also to the public authorities, at all levels of government.

The purpose of this introduction is not to present these various contributions, let alone discuss them. As a counterpoint to the collection of texts herein, I would however like to share with readers a number of ideas, observations and hypotheses, around three major questions at the moment, which also form the backdrop of this journal issue. 1) What is the current status of our administrative organisation and the over-abundant stratification so often decried, yet which seems to mischievously grow even more complex each time an attempt is made to simplify it? 2) What of the overall dynamic, not only in inequalities but also in territorial synergies? Are there truly grounds for referring to a divergence between two France? 3) What can be said, lastly, about the dual impact of technological changes and globalisation on these dynamics and supposed divergence?

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The project of institutional reform of local authorities, which can also be read, at least partially, as the reorganisation project of a professional corporation (that of the elected officials) itself, seems fated to remain perpetually open. What are the salient events in this process over the past decade? Paris' reshaping of its own institutions, with the creation of the Grand Paris Metropolitan Area, a big intermunicipal structure, stands at midstream. The assertion of the "metropolises" has, in a sense, been more significant symbolically than technically, the only truly profound changes having been the merger between the department and the metropolitan area of Lyon and the "forceps delivery" of the Aix-Marseille-Provence metropolitan area. The announced abolishment of the departments, as always, ultimately came to naught. The grouping of regions, the unexpected reform initiated from the highest State levels, took players and observers by surprise. Paradoxically, it has restored some of the departments' powers, especially in the large heterogeneous complexes such as Grand Est region. The most important change, as has been the case since 2000, was the continuation and now-recognised implementation of intermunicipality (an authority grouping municipalities, and exercising the powers delegated by these municipalities) as a standard principle, an essential move, alongside which came a large wave of voluntary inter-municipal alliances.

One very striking point in these developments, when one steps back to see the larger picture, is the weakness or lack of theoretical foundations to underpin them. Empiricism reigns supreme, including from the legal standpoint (for example, there is little in the way of detailed reflection on the concept of subsidiarity, often invoked somewhat lazily, when in fact it raises, in our interconnected world, aporas that are highly difficult to overcome). In economics, reflections on the various forms of "decentralisation" remain under-developed. This topic has been discussed mostly, in a qualitative and descriptive manner, in other disciplines (political science, political sociology, management, history). To say the least, in France, the concepts stemming from the theories of "public choice" and "fiscal federalism", or from "positive political" theory, etc. go largely ignored by decision-makers. Consequently, local authorities have been grouped through successive waves of negotiation, governed by club-type thinking, sometimes having little to do with the requirements of functionality and, even less, of solidarity (Estèbe, 2008). Worthy of tribute is the empirical test of the "decentralisation theorem" applied to the dynamics of intermunicipal powers, presented here by **Quentin Frère and Lionel Védrine**, comparing economies of

size with the heterogeneous range of citizen preferences, though, in my opinion, this last notion is quite problematic. One of the major problems in the French situation is indeed that the choices relating to intermunicipalities, both in the definition of their boundaries and in the architecture of their powers, are made largely away from the eye of grassroots citizens, who know only their mayor and their municipality, and frequently are unaware of the now-predominant role played by the intermunicipal structure.

The complexity of the territorial organisation of powers is not specific to France. All developed countries complain of systems that have become impenetrable and generate excessive transaction costs. What is problematic in France is not so much the number of layers piled up as the relative weakness of each of these levels. In many areas, we are now a highly decentralised country, but with weak local powers! When it comes to urban planning and land rights, municipalities have a decisive influence in decision-making. However, they are often insufficiently equipped in financial and, above all, human resources to deal with these tasks. This also applies to many intermunicipalities. This combination of considerable theoretical powers with limited practical capacities then frequently translates into blocking powers, as opposed to initiative-taking ones. The regions are a good example of this contrast. The very precise and useful study published by **Kim Antunez, Brigitte Baccaïni, Marianne Gueris and Ronan Ysebaert** on the new regions born in 2016 shows that French regions now have demographic (and economic) bearing comparable to those of the German *Länder*. Their resource levels, however, are not comparable. As a result, the “economic” powers now granted to the French regions are in no way similar to the striking force wielded by the said *Länder*. In passing, questions can be raised as to the urgency and rationale behind this regional reform. The economies of scale that might be derived from these are unclear, given the regions’ powers. As for citizens’ preferences, they appear to have hardly been taken into account. It is therefore not certain that this reform is a good illustration of Oates’ “optimal decentralisation” theorem, central to Frère and Védrine’s study. Time will tell...

One of the major problems in the French architecture of local powers is thus a deficit in democracy. This applies primarily to the intermunicipalities, whether metropolises or low-density areas. These groupings have made it possible to bring closer together the various levels of public management of the inhabitants’ actual living spaces, geographical living areas and geographical residential areas. And almost all observers agree on the positive nature of this development. However, these are second-tier structures, and relatively obscure to citizens. The reform enabling them to elect their presidents by direct universal suffrage is constantly being postponed. And we can make the hypothesis that this deficiency translates into lower legitimacy and therefore less impact for the local executive power (though we would obviously like to be able to test this analysis). It can be measured *a contrario* when the conurbation power is strongly embodied.

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As far as the underpinning geographical and social processes are concerned, the dominant figure in the public debate is now, as stated above, that of the opposition between France of the cities and that of the “outer urban” areas, downgraded to varying extents. What should we make of this? Is France really on the way to major divergence, such as the one described convincingly by Moretti or Giannone for the

United States (Moretti, 2013; Giannone, 2017) – not to mention the growing gulf between metropolitan and non-metropolitan regions in many emerging countries?

With regard, first of all, to the actuality and extent of metropolisation in France, a controversy recently opposed various economists, including Laurent Davezies, against other researchers, who in particular questioned the idea of the “over-productivity” of metropolises, exceedingly dependent on local GDP calculation rules (Bouba-Olga & Grossetti, 2015). Bouba-Olga also pointed out that, in relative value terms (in particular, the trend in employment), some small and medium-size towns outstrip metropolises, even the most dynamic ones. Nonetheless, it cannot be disputed that the trend in employment has been much more favourable in metropolitan areas, which rebounded better after the 2008/2009 crisis. This applies to employment in general, but even more to salaried employment in the private sector. Between 2008 and 2016, private salaried employment grew by 3.7% in the first 15 metropolises labelled as such (Greater Paris included), as compared with 0.2% across the rest of the nation (AdCF, 2017). However, this process is all the more remarkable as it is not self-evident. During past crises, especially after 1993, the Paris metropolis suffered more, in terms of GDP and employment, than the rest of the country. It is therefore tempting to see in this reversal a sign of a new pattern of territorialisation of growth. The majority of economists saw in this an illustration of the increasing role of “agglomeration economies”. The whole problem lies in determining what this term covers. In general, economists invoke the greater efficiency born when powers are combined, crossed and blended on a massive scale amongst themselves (see, for example, Combes & Gobillon, 2015; Combes *et al.*, 2015, 2016). As far as I am concerned, without denying this aspect, I would also highlight other factors, such as the reduction in uncertainty and the greater flexibility availed to firms and households (especially two-income) by the large size of metropolitan labour markets. It would be interesting to test these as well as others complementary hypotheses (metropolis hub function, behavioural ratchet effects among young people who have come to engage in university study). Be that as it may, Bouba-Olga (2017) is correct to highlight the diversity of possible development paths, which are probably less dependent than what is claimed on size effects in a small country such as France, where infrastructures and skills are widely distributed and accessible across a large part of the territory.

At the other end of the spectrum, all the data, and even a simple visit to many of the territories far from metropolitan influence centres, reveal the existence of downward spirals and even dereliction, as much across vast areas as in more local employment pools. Writers, often, in fact, tell of this better than do researchers (Kauffmann, 2013). I have already referred to the success enjoyed by Christophe Guilluy, as much in public opinion as with decision-makers. These theories have the merit of calling attention to the highly precarious socio-economic situations found in a so-called “grassroots” France, by offering a reminder that the suburban neighbourhoods referred to as troubled do not have a monopoly on precariousness. However, the image of “two France” is, in my opinion, far too simplistic to be true.

First of all, it should be noted that, while certain metropolises are faring well, this is far from being the case universally. The dynamic enjoyed by cities in the West and Southwest of France is not shared by counterparts in the East (Lille, Strasbourg, Nancy, Grenoble, Nice). The Île-de-France urban area itself does not stand out as a particularly brilliant performer, part of its development potential having clearly shifted to cities located one, two or three hours away by high-speed train, which beckon

in particular to households with the much more favourable cost to quality of life ratio in the provinces. The growth surplus in these major cities does not, moreover, create huge gaps with the rest of the country, if we consider stocks rather than flows: in terms of private-sector employment between 2008 and 2016, the change in relative weight of the 15 metropolises relative to the country as a whole can hardly be called lightning-fast (+1.3 percentage point). It is true that this count does not include the suburban areas located outside the strict boundaries of the metropolises, which are the big winners in the recent growth process. As for the non-metropolitan territories, in the France of middle-size towns and small burghs, those of low-density areas – which are no longer truly rural, so similar their lifestyles and activity structures to those of high-density urban France – their trajectories are surprisingly diverse. They include territories in extreme difficulty, concentrated above all in the North-East quarter of the nation, but also many dynamic employment and living areas. Some of these low-density areas, especially along the diagonal that extends from the Belgian border to the Massif Central appear to be locked in traps from which it will be difficult to emerge, despite the shock absorbers represented by social transfers, without a massive and specific show of solidarity by the national community – especially as many of these territories seem to have been hit by a double penalty: the industrial crisis combined with lack of attractiveness, in these times of residential heliotropism. However, there are also areas of low-density population, whether continuous or discontinuous, that are doing well. Overall, incidentally, the 2008 issue of the journal already noted the reduction in income gaps (on average) between the suburban and rural areas and urban hubs (with the exception of Île de France) (Behaghel, 2008).

Secondly, it is essential to bear in mind that, if there is a social gap, it crosses all the metropolitan and non-metropolitan spaces, whether dense or sparsely populated. Antunez *et al.*, in their article, offer the reminder that France's regions have relatively similar profiles (even more so, understandably, since the recent merging), and that inequalities are more internal than external. This is consistent with the long-term trend of growth in local inequalities, internal to conurbations and local territories, against the backdrop of relative homogenisation at national level, the latter explained in particular by the extensive public and private redistribution mechanisms that irrigate our country. Broadly speaking, the closer in we zoom, the greater the inequalities. In this respect, the contribution of **Jean-Michel Floch** on inequalities and segregation in twelve metropolises, using the *Filosofi* data register and its matched tax and social income on the scale of a very fine geographical mesh, is very telling. Its purpose is to illustrate the complexity and variety of patterns in inequality, social diversity and segregation in our major cities. However, the article also offers a reminder that if these cities, and the Parisian conurbation first and foremost, are experiencing unparalleled concentrations of wealthy residents, entrenched in their citadels of “*entre-soi*”, they are also characterised, including in the heart of the conurbations, by an over-representation of poor households. At the country level, low-income households are thus over-represented in metropolis cities, particularly in Marseille, Lille, Montpellier and even Paris. Overall, the poverty rate<sup>1</sup> is, moreover, much higher in cities than in the countryside and the large cities' working-class districts remain by far the primary poverty-stricken areas. Far from forming the homogeneous space of the “new elite” and “winners of globalisation”, metropolises are composite spaces in which very diverse life paths and work trajectories co-exist. It would also be appreciable to be able to draw upon analysis as fine-grained as that used in Floch's contribution on the rest of the territory, or at least a sample of low-density areas.

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1. Reflecting the proportion of households with standard of living under 60% of the median standard of living.

The “two France” discourse therefore does not stand up to analysis. First of all, there are far more than two France: there are multiple, and very diverse, France. Secondly, it could also be asserted that there is only one France, run-through by all kinds of flows, marked by multiple divisions but also brought together by a national solidarity that remains strong. Comparative studies show that France, much less unequal in terms of income and wealth than the United States or Great Britain (World Inequality Report, 2018) is also less unequal geographically. Even the infamous correlation between votes for political extremes (the Front National, in particular) and the divide between metropolises and outer urban areas does not withstand in-depth analysis (Gilli *et al.*, 2017).

In terms of public policy, the implications are clear. Rather than opposing territories against one another, or even specialising policies by demographic segment (yesterday the metropolises, now the average-sized cities), effort should be focused on uncovering, affirming and strengthening anything that contributes to *de facto* solidarity between metropolises and other territories. Many studies have begun exploring multiple forms of interaction between metropolises and surrounding territories, highlighting quite varied dynamics (Davezies & Talandier, 2015; Levratto *et al.*, 2017). An additional step could be taken, distinguishing between agglomerated cities in the strictest sense, and a more diffuse movement of “shared metropolisation”, which can in reality be found across a very large expanse of the country (in terms of population, if not surface area). This shift manifests both in the convergence of lifestyles and consumption patterns and through an inter-metropolitan network functioning pattern, which is superimposed on the local functioning of living and employment areas, gradually driving our country to operate as a developing distributed metropolis (Veltz, 2012). To defend this thesis is not to describe a France where all is well, and where social divides have miraculously dissipated. It does, however, imply refusing to consider that these social divisions, which are real, simply coincide with geographical lines.

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This binary narrative of geography just outlined is often associated, in the dominant discourse, with another opposition: that of the “winners” and “losers” of globalisation. Our age is one of general and diffuse anxiety on the future of jobs, and therefore territories, in the face of the concurrent advances in robotisation and economic openness, which could gradually undermine the economic foundations of the existence of middle classes and speed up, through the bipolarisation of qualifications, the advent of an “hourglass society”. This third question, specifically that of the changes in employment, qualifications and their impacts on the territories, is by far the most complex, as it requires moving beyond description to understand the causes and dynamics of the processes involved. How can we disentangle the roles of factors as intertwined in their outcomes and interdependent in their causes as technical change (in essence, the differential automation of tasks) and the internationalisation of value chains (in essence, the substitution effects linked to so-called international trade)? It is well known that economists are far from being in agreement on these issues and that there are multiple controversies outstanding. Moreover, there is much more empirical research in the United States (whose situation is only partially comparable to ours) than in France. Of particular interest to readers should be the courageous work of **Pauline Charnoz and Michael Orand**, testing the hypothesis of a specific effect of computerisation and automation on the erosion of routine tasks connected with mid-spectrum qualifications and wages, and of **Hugues Jennequin, Luis**

**Miotti and El Mouhoub Mouhoud**, who propose to build a vulnerability indicator to the risks of offshoring, based on a sectoral typology.

The observed polarisation of qualifications at both ends of the wage and diploma ranges, and the connection between this polarisation and technical change, in the spirit of the current research on so-called Skills-Biased Technical Change, now appears to have firmly taken hold, even though it continues to be sometimes disputed. The study by Charnoz and Orand published in this issue confirms that France is not immune to this polarisation. Based on the methodology proposed by Autor and Dorn (2013), it converges with other recent studies, such as that of Harrigan *et al.* (2016) conducted on panel data. In fact, over the course of the last two decades, managers and unskilled employees have been the main drivers of job development in the territories (Bisault, 2017). It remains to be seen in detail how this impacts the overall dynamics of our national territory. In principle, polarisation reinforces metropolisation, as a result of the concentration of high qualifications in large cities, in consulting companies, engineering centres and decision-making hubs. However, it is also reflected in an increase in demand for skilled jobs in non-metropolitan zones, including in factories undergoing modernisation, creating tensions that the current upturn in manufacturing activity (end-2017) illustrate to perfection, with many employers complaining about not finding the workforce they need, including in high-unemployment regions.

This highlights a fundamental difference between the period of growth of the so-called “Glorious Thirty”, which was able to re-channel young people (boys and girls) relatively smoothly, from the artisan and peasant worlds into industry and later into services, and the current period. In the decades following the war, the skills step-up from the old world into the new world was low, and the transition was achievable without great geographical mobility, as industry came to meet its new labour supply halfway, leaving the major cities for rural areas, particularly in the Greater Paris Area. Today, the transformation is far more difficult to absorb, as the skills leap to be accomplished is much greater, and the geographical gap is increasing. The only way to regulate these tensions is thus through an increase in skills, supported by a massive training effort and/or geographical mobility. However, the latter remains relatively low overall (although it is increasing slightly in younger generations), as the last article in the issue reminds us, that of **Henri Martin**, who presents a very interesting typology of migratory pathways and sequences. Above all, it remains particularly difficult for those least endowed with financial and cultural resources, a situation which, by its very existence, exacerbates the sense of dead-end or even of abandonment in some territories, which are both particularly hard-hit by the ongoing transformations, and particularly ill-equipped to deal with them.

These technological shifts, it should be said in passing, are all too often presented as resulting from a kind of mechanical fate, whereas they depend mainly on firms’ organisational choices, as these can opt for varying degrees of automation, in accordance with specific economic and social parameters that vary by country, or even by site. As for their macroeconomic effects, they depend first and foremost on the social sharing of productivity gains and therefore on the more or less unequal distribution. They also combine closely with the effects of globalisation, the international opening up of markets and productive systems. And that’s where matters become truly complex.



First of all, it is important to reiterate that “offshoring”, in the sense that the public understands it – i.e. the decision to shut down all or part of a French site to produce the same thing elsewhere, at lower costs – is only a very minor aspect of the shifts observed, as evidenced clearly by different research findings cited by Jennequin *et al.* (Aubert & Sillard, 2005; Fontagné & D’Isanto 2013). “Offshoring” is most often the result of complex recomposition movements within the value chains, where the aim to be closer to the markets served, build channels specially to do so, or gain flexibility play a generally greater part than the search for low labour costs. Moreover, fastest growing international trade is not that in low-skilled labour intensive sectors, as the most widespread image of globalisation would have it, but that in trade of technology-intensive products. The internationalisation of large corporations that continue to drive our economy (in particular by outsourcing) was thus motivated primarily by the conquest of foreign markets. This question of the impacts of internationalisation, and in particular the rise of emerging countries and China, is probably the one where the divergence between experts’ views and those of the general public is the greatest. For quite some time, economic orthodoxy even considered this factor negligible in the rise of unemployment and pressure on wages. Things changed as highly fragmented transnational value chains began to be considered as these, without doubt, directly put workers from developed countries in competition with workers from the South. They also changed with the realisation that this competition was not exercised in an undifferentiated manner on large and homogenous national economies, but on specific job pools, creating local shocks that are difficult to absorb for the reasons already discussed above (unemployment traps, rigidity of qualifications, low mobility). A recent study by Clément Malgouyres using the Autor *et al.* method in their pioneering research on the impact of trade with China in the United States (Autor *et al.*, 2013), estimates job losses in France resulting from Chinese imports at 14,000 for the period 1995-2001 and 73,000 for the period 2001-2007 – this in the manufacturing industry, in addition to which, undoubtedly, come greater losses in the induced service sectors (Malgouyres, 2016). These figures remain, clearly, very far from those of unemployment. They are by no means negligible, however, especially if geographical concentration is taken into account.

Still on the subject of “offshoring” – it would be preferable, in my view, to steer clear of the term, so laden it is with ambiguities and misconceptions – it should also be recalled that our economy’s good health depends, first and foremost, on the percentage of “offshorable” jobs, precisely, that is exposed to international competition, these jobs being on average more productive and better paid than jobs not exposed to such competition. It would be interesting in this regard to compare and contrast the analysis proposed by Jennequin *et al.* with the research done by Frocrain and Giraud (2016) based on a distinction between “nomadic jobs” and “sedentary jobs” (or, in another version: “exposed” and “sheltered”), the former being those that are tradable beyond borders, while the latter are those that compete only with co-localised jobs. While the methods are, admittedly, very different, they are also complementary. Jennequin *et al.*’s study published here is limited to the manufacturing sector and is part of a typology consisting of four large groups, with the vulnerability index being constructed based on the relationship between changes in employment and import. Frocrain and Giraud’s approach defines the sectors exposed based on a geographical analysis of the dispersion of jobs across the territory, working from the idea that the greater the dispersion, close to that of the population, the more likely the jobs are to be sedentary. One of the surprises of this approach was to highlight a high proportion of service jobs amongst exposed jobs, a finding consistent with the growing proportion of services in international trade and transnational value chains. The main

outcome is that the exposed jobs category has both fallen into the minority and is declining: it receded from 30% to 26.8% of total employment between 1999 and 2013 in France. The protected sector is, conversely, the real driver of employment. This is reassuring in a sense, when seen from the viewpoint of offshoring risk, but is also worrisome from the point of view of the country's overall competitiveness. Once again, public policies must be able to play on multiple fronts: jump-starting competitiveness, by increasing the number of jobs exposed, improving the quality of sedentary jobs, and better anticipating local crises, so as to better manage them. Easier said than done!

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France, like all developed countries, is engaged in a series of transitions (globalisation, digitisation, financialization, behavioural changes, emergence of new energy, food, agricultural, health and education models), the consistency of which we are struggling to grasp. The resulting broken narratives, generally laden with worry, are unable to re-combine to form an all-encompassing narrative. Yet evidently, all of these changes are interlinked and global trajectories are emerging, different from those of other countries, even those closest to France. In these trajectories, the territories are not merely passive areas within which social, economic and cultural changes are planned. They are players in their own right. Their local triggers and their overall configurations shape national dynamics. For example, the broad distinction between the London region and the rest of Great Britain, which weighed heavily on *Brexit*, is not found in France, which is arguably protected from this type of divide by the ring of dynamic metropolises that interconnect the territory. In another illustration, the density of Germany's urban meshing, and the existence there of a horizontal network of large, relatively complementary and specialised cities – in contrast to the French, more vertical, less specialised network – and the stronger territorial anchoring of firms, including larger ones, are all closely intertwined with the German economy's form of competitiveness. Incidentally, these distinctive specificities in the territorial model, passed down by history, and which can also be found in Italy and Spain, are one of the challenges of European construction. Our policy makers have gradually come to understand that sectoral policies ("industrial" policy, vocational training, education and health) could not ignore this territorial dimension – even if the idea of the universal norm continues to strongly permeate our thinking. To understand this systemic dimension and beneficially inform public decision-making, economists, statisticians, quantification specialists in general, sociologists, policy-makers and geographers must work together, coming down from their respective ivory towers. The undertakings ahead are vast. Allow me to discuss two of them in closing.

The first pertains to the categories which we use to classify and read the world. The so-called founding distinction in our economic world view, between "industry" and "services", must now be put to serious questioning (see notably Crozet & Millet, 2014; Fontagné *et al.*, 2014). I put forward the idea of the transition to a "hyper-industrial" society (Veltz, 2017), first of all to resolutely reject the idea of a post-industrial society, but also and above all to duly take note of the following two-fold fact: 1) firms and players in the two major activity sectors (secondary and tertiary) are showing increasing interpenetration, 2) via platforms and new business models, the economy as a whole, the manufacturing sector included, is tending toward a "service" identity, with value creation now focused on a fine-tuned understanding of usages and experiences. The market economy – which, it should be mentioned in passing, is hybridising more and more with non-market economy – increasingly

appears to be a moving continuum rather than a set of clearly-separated sectors. At stake here is not just that another statistical and accounting view of things. It is also, first and foremost, that of public policies that must now take this continuum into account. To take just one example, the lack of competitiveness in our industry cannot be understood by limiting comparisons to the manufacturing field alone, as our exports of physical goods consist of at least one-third services purchased on national soil. Lastly, in these industry-digital-services continuums, new forms of division of labour as well as cooperation between densely-populated metropolitan areas and their very densely-populated outer urban areas, could emerge, given that the manufacturing industry today is found primarily outside of metropolitan areas (but could partially come back to them with smaller, “own” units) while market services and upstream technological supports are located mainly in large cities. Similarly, new forms of power generation, power supply and various eco-system services (recycling, in particular) could serve as the foundation for unprecedented synergies between the two types of spaces.

The second challenge lies in the transition from an analysis focused on stocks and localised data, to one centred on flows, exchanges and relationships between places. The facts show beyond dispute that, apart from data on daily migration and data (still sparse) on residential migration and individual life pathways, quantitative data on flows and exchanges remain meagre. However, our territory, whether local, national or international, is less and less representable as a set of juxtaposed entities or Matryoshka dolls charmingly nesting within one another. It is a world in which scales are telescoping each other, where the Paris or Lyon hinterland is found in Shenzhen, Boston or Amsterdam as much as and sometimes more than in the nearby provinces. The great leap forward in connectivity is the central phenomenon. It does not eliminate proximity effects, but rearranges them within more complex structures, the topology of which no longer follows topography. We are entering a world of hubs and interwoven networks on which available data remain highly-fragmented, and above all qualitative. The work carried out by geographers, bringing out the relational aspects of urban systems (Berroir *et al.*, 2017) would deserve to be greatly amplified and carried to new ground by economists. Clearly, this is something to feed future issues of *Economie et statistique / Economics and Statistics*, which could be entitled “Territories of flows vs. the territories of places” or “France and Europe as systems of relations and exchanges”. □

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