

Towards more inclusive growth in the metropolitan area of Aix-Marseille: International insights

Summary of the OECD report

This is a summary of the report on the Aix-Marseille metropolitan area prepared in the context of the Ministerial Meeting of the OECD Territorial Development Policy Committee held in Marseille on 5-6 December 2013.

Link to the full study:

www.oecd.org/regional/aix-marseille

Introduction

1. Socio-economic trends in the metropolitan area
2. Fragmented governance hinders inclusive growth and competitiveness in Aix-Marseille
3. How to drive change? Lessons from the OECD

The OECD Metropolitan Database

To better understand the issues related to the development of metropolitan areas, the OECD has developed a database on functional urban areas, which covers 275 metropolitan areas which all have over 500 000 inhabitants. Metropolitan areas play a critical role in national performances: in the OECD, they account for 48% of the population, 49% of employment and 57% of GDP.

The report on Aix-Marseille draws on this database and, since 2000, over 25 OECD reviews of metropolitan areas

<http://measuringurban.oecd.org/#>

The third-largest French metropolitan area in terms of population and contribution to national GDP, Aix-Marseille has experienced relatively high economic growth in comparison to other areas in the OECD in the 2000s. Employment growth was the second-strongest of all European metropolitan areas between 2000 and 2012. Aix-Marseille has improved its position in terms of innovation performance and international attractiveness and withstood the crisis better than many other metropolitan areas. The rise in employment during the decade since 2000 has not been sufficient to reduce the unemployment rate, which is still at a high level compared to other French and OECD metropolitan areas. Its strategic position is also under threat. In particular, the port of Marseille Fos has lost ground in the last several years vis-à-vis Genoa and Barcelona.

However, the most important challenges for Aix-Marseille come from within the metropolitan area itself, rather than from competition with other major cities in Europe or elsewhere. In fact, Aix-Marseille is one of the metropolitan areas with the highest levels of inequality in France, whether measured in terms of income or access to jobs and education. These striking socio-economic inequalities present challenges for generating inclusive and sustainable growth.

In OECD comparison, Aix-Marseille – like most French metropolitan areas – is one of the most fragmented in terms of governance. The fragmentation index, measured in terms of the number of municipalities per 100 000 inhabitants, is twice as high for Aix-Marseille as the OECD average.

Promoting inclusive growth means tackling the issues linked to economic development, transport, the environment and, more broadly, the quality of life of its inhabitants across the entire metropolitan area and not in a fragmented way as is the case today. These challenges are not unique to Marseille; in fact, many large cities in the OECD face similar situations. The reform on metropolitan areas adopted in January 2014 aims to create one inter-municipal authority (Aix-Marseille-Provence) in 2016, which would merge the current six inter-municipal authorities. In line with the wide array of reforms being enacted in OECD countries, this future metropolitan authority would have strategic competencies.

However, the law is merely a first step: how it is implemented will be a key factor in determining its impact. The future metropolitan authority must show that it provides a real added value, and that it will address problems that have remained unresolved thus far.

1. Socio-economic trends in the Aix-Marseille metropolitan area

A metropolitan area organised around several increasingly integrated urban cores

The metropolitan area of Aix-Marseille, with 1.75 million inhabitants, is the third-largest metropolitan area in France after Paris and Lyon. It is in 75th position for population size among the 275 metropolitan areas across the OECD. Covering a surface area of 4 231 km², the scale of the metropolitan area is vast and comparable in size to that of Seoul or Philadelphia, for example. Like a number of metropolitan areas in the OECD, Aix-Marseille is organised around several urban centres. Overall, there are 130 municipalities, including Marseille, Aix-en-Provence, Salon-de-Provence, Marignane, Martigues, Aubagne, Istres and Vitrolles. The metropolitan area has experienced population growth at a slightly lower rate than the average for OECD metropolitan areas in the last decade (0.7% versus 0.9% for the period 2000-12). This growth has been primarily driven by municipalities on Marseille's periphery. As a result, the city of Marseille's share of the metropolitan area population has declined over the past 50 years (65% in 1968 down to 46% in 2010). Urban sprawl was fairly significant until the 2000s; however, it has slowed considerably since then. Applying all the criteria used by the OECD and the European Union to define functional urban areas, the metropolitan area of Aix-Marseille appears to be an integrated urban area.

Figure 1. Population growth of the Aix-Marseille metropolitan area (INSEE definition)

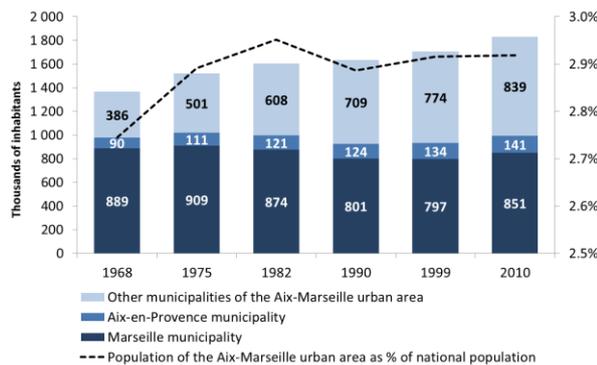
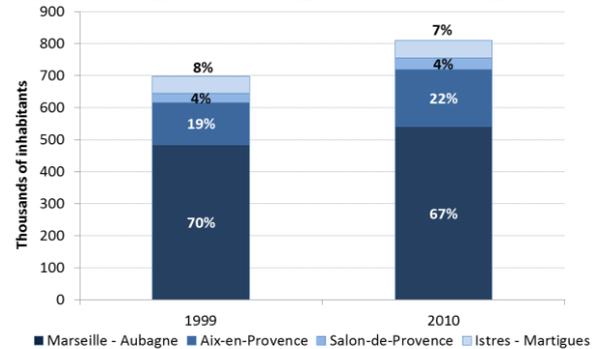


Figure 2. Employment growth in the Aix-Marseille metropolitan area (INSEE definition)



Source: OECD elaboration, based on INSEE data (2010).

Functional integration within the Aix-Marseille metropolitan area is intensifying, thus interdependence among different sub-areas is increasing. The labour market has widened and employment growth has been particularly robust in the municipalities surrounding Marseille. Between 1999 and 2010, total employment increased by 35% in Aix-en-Provence and 25% in Salon-de-Provence versus 12% in the Marseille-Aubagne area. The shift in the employment situation resulted in an increase in commuting within the urban area, in terms of both volume and distances travelled. Trips to and from work increased 20% between 1999 and 2010 and the distance between home and work is now 16 km on average. Over 240 000 daily trips are taken between Marseille and Aix, over 127 000 between Aubagne and Marseille, and over 150 000 between Étang de Berre and Marseille.

The metropolitan area benefits from a strategic geographic position

The Aix-Marseille metropolitan area is at the centre of a network of metropolitan areas on the Mediterranean coast. Valencia, Barcelona and Montpellier lie to the west, while Nice, Turin, Genoa and Milan are located to the east and Lyon, Geneva and Basel are found to the north. It is an area that is well connected and benefits from: i) its geographic position at the doorstep of the Mediterranean basin and the end of the Saône and Rhone river valleys, and ii) a network of modern infrastructure (highways, high-speed train line, international airport, port and river transport). The Marseille Provence international

airport has grown significantly in recent years, with traffic increasing 45% between 2005 and 2012 and a total of 1 million additional passengers in 2012. In fact, it was the fastest growing airport in France and the 4th fastest out of the top 80 airports in Europe.

The development of the port of Marseille Fos is not as strong, although it remains a major port of entry for the region and the Mediterranean basin. It plays a crucial role in the economy of the metropolitan area (and for France). The port of Marseille Fos generates around 40 000–45 000 direct and indirect jobs, which accounts for over 5% of all jobs in the metropolitan area. However, competitive factors are currently unfavourable. The port's total merchandise volume has been flat in recent years and it has ceded global market share from 3.1% in 2001 to 2.4 % in 2010 (Merk and Comtois, 2012). Neighbouring Mediterranean ports that previously had comparable container traffic are now two to four times as big as Marseille Fos (e.g., Valencia, Barcelona and Genoa). Recently there has been a rebound in container traffic, thanks mainly to the application of port reforms and the construction of new terminals.

Position improving in terms of innovation and attractiveness

The components of a knowledge-based and innovative economy have grown stronger over the past few years. Compared internationally, Aix-Marseille is in a relatively satisfactory position in terms of innovation. In fact, Marseille is ranked 40th out of 445 cities in the world and 18th among European cities, according to the *Innovation Cities Global Index* for 2012-2013 based on 162 quantitative and qualitative indicators. It ranks ahead of cities such as Milan, Barcelona and Rotterdam. Research and development is particularly dynamic, as shown by the number of patents registered (1.22 per 10 000 inhabitants, 43rd among OECD metropolitan areas). It also has significant potential in terms of research and higher education, which have also been strengthened over the past several years. The three main universities in Aix and Marseille merged on 1 January 2012 to form Aix Marseille University, the biggest university in France in terms of enrolment. The metropolitan area is also home to major research laboratories of international renown, seven “competitiveness poles” as designated by the French government, numerous technology transfer structures, regional innovation centres and local economic development centres (PRIDES).

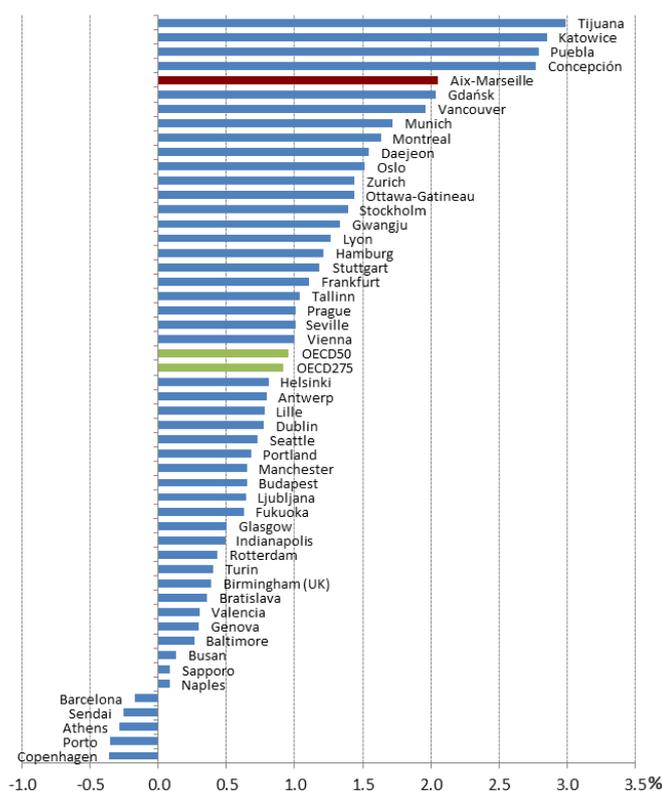
In terms of economic attractiveness, Aix-Marseille has improved its position compared with other European metropolitan areas in recent years. Its main assets are its size, airports, innovation performance and port activities (AGAM 2012, DATAR 2012). Marseille ranks third, behind Paris and Lyon, in the attraction of foreign direct investment (FDI).

Strong growth in the 2000s, remaining resilient during the crisis

Job growth from 2000 to 2012 was remarkable compared with OECD and national averages. With annual employment growth of 2.1% between 2000 and 2012, Aix-Marseille ranks 1st among the 15 French metropolitan areas, 2nd among the 114 European metropolitan areas in the OECD, and 5th among the peer OECD metropolitan areas selected for this study (Figure 3). Job growth was much faster than population growth over this period. The number of jobs increased by 16.2%, while the population grew by only 7% (INSEE, 2010). The service and construction sectors as well as self-employed were the main growth drivers, whereas industry continued to shed jobs.

The economic profile of Aix-Marseille is diversified. The top four companies in the metropolitan area account for 12.3% of total employment (AGAM, 2012). Although this lack of specialisation makes it difficult to identify key sectors at the international level (excluding port activity), it did dampen the negative effects of the crisis on employment. In fact, the metropolitan area fared better during the crisis than many others in France. Marseille is among the top in terms of its ability to withstand the crisis (out of 115 employment areas defined by INSEE) (AGAM, 2012). Several factors contributed to this resilience: economic diversification, jobs in the non-tradable sector (“residential economy” accounts for 46% of total employment) and the significant share of public sector jobs (AGAM, 2011).

Figure 3. Average annual employment growth rate between 2000 and 2012
(as a %, out of a sample of 50 metropolitan areas)



Note: Two samples were selected for this study: (i) a sample of the 275 metropolitan areas in the OECD Metropolitan Database; and (ii) a smaller sample of 50 metropolitan areas more comparable with Aix-Marseille in terms of population (between 1 and 3 million inhabitants).

Source: OECD, Metropolitan Database, 2013.

Major challenges with respect to unemployment and competitiveness

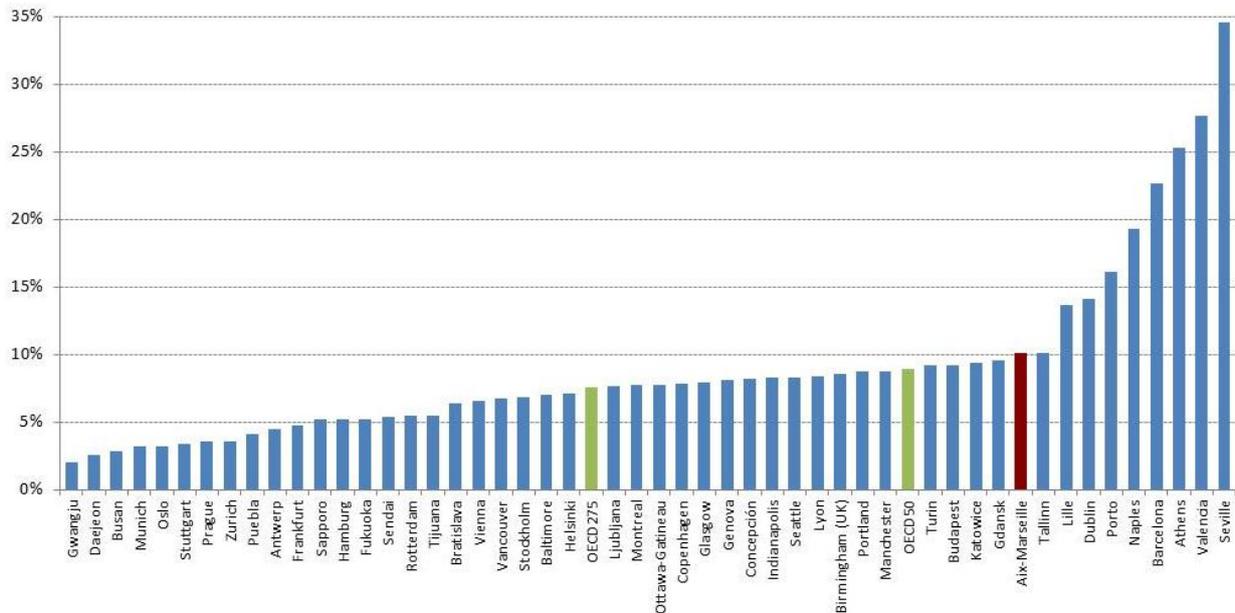
Significant job growth in the 2000s was not enough to reduce the unemployment rate in Aix-Marseille, which remains high with respect to other French and OECD metropolitan areas. At the national level, the unemployment rate in Aix-Marseille ranges from 9.8% in the Aix-en-Provence employment area to 13.3% in that of Marseille-Aubagne (2nd quarter 2013). The weighted average unemployment rate in the four employment areas reached 12.5%, against 10.5% at the national level (INSEE, 2013). Aix-Marseille was 37th out of the 275 OECD metropolitan areas for its unemployment rate in 2012. Compared to the 50 peer metropolitan areas, Aix-Marseille is ranked 10th, after cities severely hit by the crisis, notably in Spain (Seville, Valencia, Barcelona), in Greece (Athens), in Italy, in Ireland or in Portugal (Figure 4).

According to INSEE, an extra 62 000 jobs would need to be created – in addition to the 735 500 jobs today – to catch up with comparable areas. Young people are particularly affected by unemployment, with 20.8% of 15-29 year-olds unemployed. The unemployment difficulties encountered in the metropolitan area Aix-Marseille-Provence can be explained by the higher percentage of the labour force without a high school diploma (14% of the labour force aged 15 years or more versus 11% on average for Lyon, Toulouse, Lille and Bordeaux). The percentage with a college degree is also lower: 37% of the labour force aged 15 years or more versus 41% for other metropolitan areas (INSEE, 2013). This reality also conceals major disparities at the local level.

Labour productivity has strongly declined in Aix-Marseille over the past 10 years (0.8% per year on average between 2000 and 2010). Aix-Marseille is among the 25 OECD metropolitan areas with the

lowest average annual productivity growth over the 2000-2010 period. A wide range of factors can explain this low productivity growth, notably the fact that employment growth has been higher over the past decade than GDP growth. Other more structural causes are also likely at play, notably the loss of jobs in the industrial sector, the creation of low productivity jobs, or the weight of the “residential” economy, less able to produce productivity gains.

Figure 4. Unemployment rate in 2012 (%)
Selected metropolitan areas

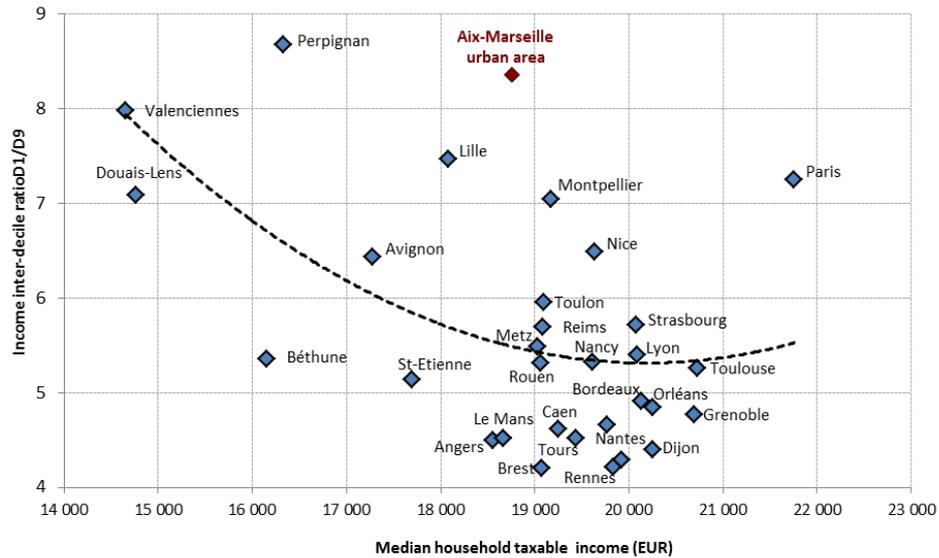


Source: OECD, Metropolitan Database (2013).

The metropolitan area displays major disparities in terms of income, unemployment and education

Aix-Marseille has considerable strengths, but performance is highly variable across the area. Aix-Marseille is one of the least equal in France when it comes to income and unemployment. Median taxable income for Marseille is roughly 10% lower than in Lyon, Toulouse or Bordeaux. Furthermore, income inequality is much more pronounced in this metropolitan area than in others in France. These disparities have a strong place-based dimension. For instance, in the northern districts of Marseille, the average income is EUR 10 000 per year, while in Aix-en-Provence this figure stands at EUR 21 000 and it is over EUR 24 000 in the 8th arrondissement of Marseille – and in approximately 25 municipalities in the metropolitan area it reaches EUR 35 000.

Figure 5. Median income and inequalities in the 27 most-populated urban areas in France, 2010



Source: OECD elaboration based on data from Insee-DGI, Taxable and Social Income Survey (2010).

Disparities in unemployment rates are also particularly high in Aix-Marseille, with joblessness concentrated in particular neighbourhoods. The unemployment rate in the north of Marseille was approximately 30% in December 2011. Variations in unemployment by municipality are considerably higher in Aix-Marseille as compared with other French urban areas. The disparities are particularly marked for youth unemployment. In the northern neighbourhoods of Marseille, youth unemployment exceeds 35%, and even 50% in the 14th arrondissement. Moreover, a non-negligible percentage of the population is cut off from the labour market and is not, therefore, included in unemployment statistics. Inequalities with regard to education are even more striking than economic inequalities. They are also highly correlated to the level of income per municipality. In the city of Marseille, the percentage of the population without a high school diploma is 24%, versus 14% in Aix-en-Provence. In neighbourhoods in the north of Marseille, 39% of the population 15 years and older lacks a high school diploma (INSEE, 2010).

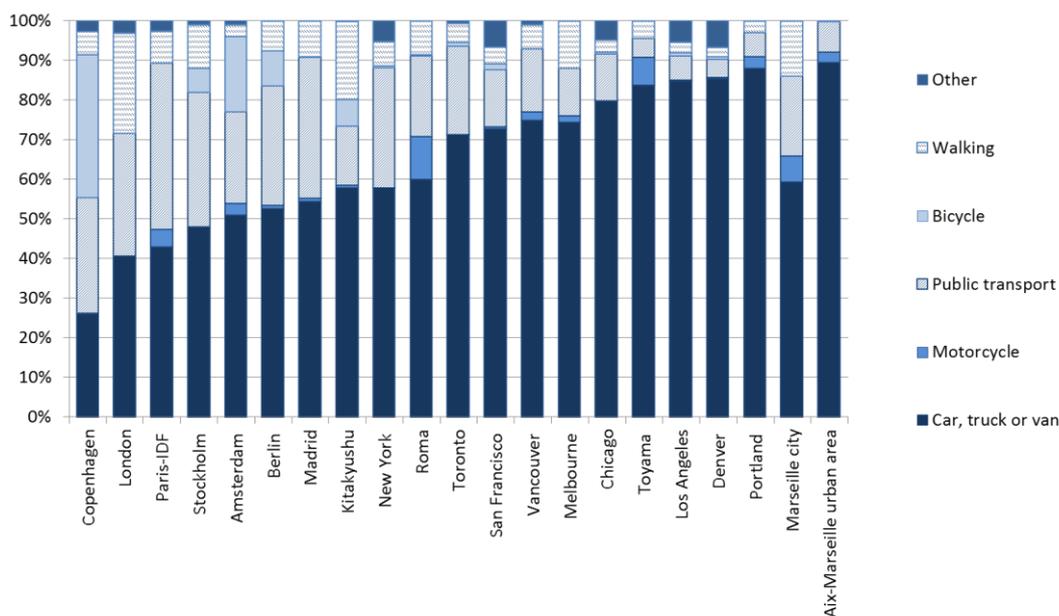
Different studies have shown that stark inequalities, combined with a high unemployment rate among young people, create more favourable conditions for criminality. This phenomenon seems to be particularly applicable to the Aix-Marseille metropolitan area, especially in the city of Marseille. Compared with the national average, crime rates are unfavourable for Marseille, where one in three organised crime murders was committed in France in 2012 (ONDRP, 2013). Marseille is unique in France in that it has significant social housing projects located within the city limits, and not on the outskirts, like Paris (Ile-de-France). However, in an OECD context, crime in the PACA region ranks far below regions like Chihuahua (Mexico), or the District of Columbia (United States).

Inequalities exacerbated by inadequate public transport across the metropolitan area

While access to public transport within the cities of Aix-Marseille is fairly good, public transport between the different urban centres of the metropolitan area appears particularly under-developed. The networks are unable to meet the increasing demand for travel between urban cores. Around 77% of the population living in peri-urban areas (outside the city of Marseille) has no access to public transport, 14% of the population has limited access and only 2% has high access (Dijkstra and Poelman, forthcoming). Only 10% of travel between Aix and Marseille involves public transport. Nearly 90% of travel is by car; this rate is higher than in large metropolitan areas of the United States such as Los Angeles, Chicago or Denver, and considerably higher than in Stockholm, London, Amsterdam or

Paris/Ile-de-France. Road traffic increased 10% between 1997 and 2009. The roadways leading to the main urban cores of the metropolitan areas are increasingly congested, which contributes to significant urban and environmental problems. Marseille is the 5th most congested city in Europe (out of 59 cities) and the most congested in France, according to the latest statistics (TOM-TOM Europe, published in October 2013). Weaknesses in the public transport system also reduce resident mobility and limit the *de facto* perimeter of their potential job market, thus contributing to inequalities in access to employment.

Figure 6. Modes of urban transport in selected OECD cities



Source: Developed by the OECD based on OECD (2013) [Green Growth in Kitakyushu](#).

Inequalities, combined with problems of congestion, pollution and crime, have a negative impact on quality of life and trust

The metropolitan area has considerable strengths, including nature and coastal areas remarkable on several fronts, yet Aix-Marseille ranks in the bottom quartile for quality of life of the 21 European cities analysed by an AGAM study conducted in 2013. A few of the cities ahead of Aix-Marseille include Barcelona, Milan, Amsterdam, Budapest, Lyon, Gothenburg, Turin and Valence. The levels of crime, pollution, and congestion, as well as access to public services and the average cost of housing, are all factors with a negative impact on Aix-Marseille. These conditions are also reflected in the level of trust the population has in fellow residents and the public authorities, which in Marseille is lower than in other European cities. In the city of Marseille, only 50% of residents feel that the public administration spends public money efficiently, versus nearly 80% in Stockholm, for example (Eurostat, 2009).

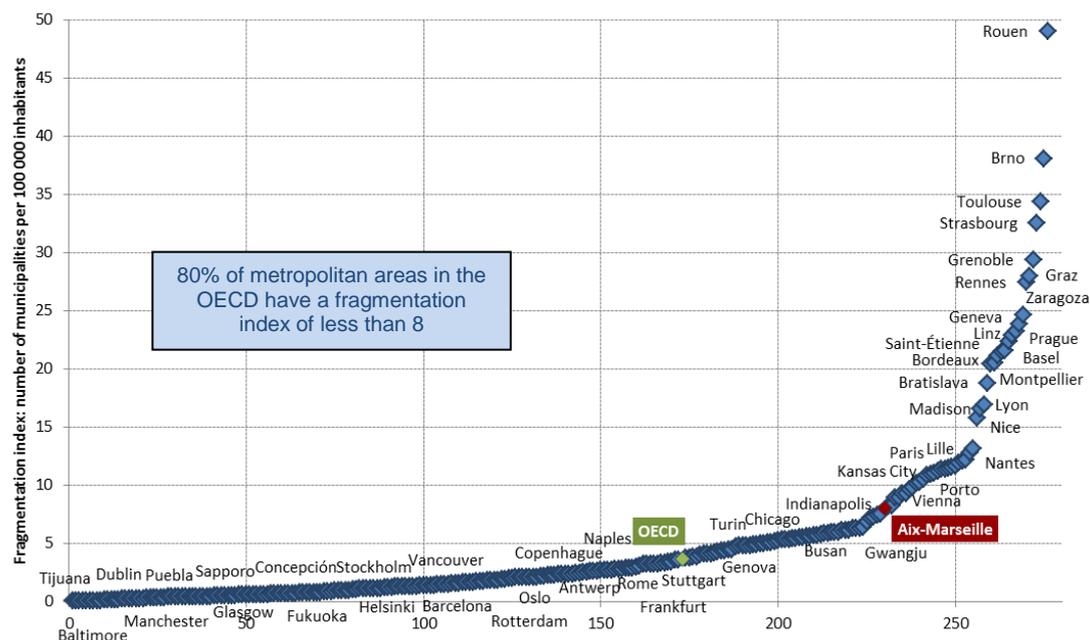
2. Fragmented governance hinders inclusive growth and competitiveness in Aix-Marseille

A metropolitan area with highly fragmented governance

Aix-Marseille ranks among the most fragmented urban areas in the OECD – like many French cities, when fragmentation is defined by the number of municipalities per 100 000 inhabitants. In fact, the Aix-Marseille metropolitan area is home to 132 municipalities (according to the OECD methodology). The fragmentation index, which measures the number of municipalities per 100 000 inhabitants, is twice as high as the OECD average for metropolitan areas (7.6 versus 3.7). Aix-Marseille is one of the most municipally fragmented cities behind Prague, Vienna, Porto, or Geneva. However, the problem for Aix-Marseille goes beyond the challenge of municipal fragmentation, and has more to do with the overlapping of four different levels of local government that have the power to levy taxes (region, *département*, municipalities, inter-municipal associations), not including the numerous state-run public entities and territorial administration bodies. Moreover, the state has maintained control over key areas, particularly the management of the port of Marseille Fos, and other significant initiatives such as *Euroméditerranée* - Marseille's urban renewal project.

At the national level, Aix-Marseille is, however, relatively less fragmented than other French metropolitan areas, which are all among the 20% most fragmented in the OECD. Preliminary analyses by the OECD have shown that that higher metropolitan fragmentation is associated with lower economic growth (OECD, 2013). This is the very issue that the French reform is seeking to address. As of 1 January 2012, there were 36 571 municipalities in France, which accounts for nearly 41% of all municipalities in the European Union and over one-quarter of all municipalities in the OECD.

Figure 7. Fragmentation index of metropolitan areas in the OECD (ranked from lowest to highest)



Source: OECD Metropolitan Database (2013).

Numerous levels of public action suffer from a lack of co-ordination at the metropolitan level

Territorial and institutional fragmentation, combined with a lack of co-operation among different public institutions operating in Aix-Marseille, leads to difficulties in designing policy at the relevant scale. These challenges are far from specific to Marseille, and OECD experience shows that most metropolitan areas have trouble adapting policies to the right scale, including in critical areas such as transport and housing. This challenge applies to each policy, but also *between* the policies themselves. It is critical to take advantage of the complementarities between sectoral policies for development in the metropolitan area, as the OECD Recommendation on *Effective Public Investment Across Levels of Government* calls for.

In Aix-Marseille, co-ordination challenges are due to socio-economic, political, territorial, and historical reasons. All these reasons have made it difficult for public authorities to adopt a common public interest (Langevin, 2012). Unlike in some French cities, where laws on inter-municipal co-operation have paved the way for co-ordination at the metropolitan scale, effective inter-municipal approaches have been a missed opportunity for Aix-Marseille. Instead, there are six inter-municipal authorities (*Établissements Publics de Coopération Intercommunale*, EPCI) across the metropolitan area since the start of the 2000s. The *Marseille Provence Métropole* groups only 17 municipalities, including Marseille, while five other inter-municipalities cover the rest of the metropolitan area. These inter-municipal authorities have added an additional layer to the different strata of local authorities, covering several municipalities but only parts of the entire metropolitan area.

Local finance disparities complicate co-ordination

Tax disparities within the Aix-Marseille metropolitan area are particularly striking and exacerbate the lack of co-ordination at the metropolitan level. Many indicators point to the sharp disparities in terms of local finance within the metropolitan area, between the municipalities as well as the inter-municipal authorities. These disparities are tied to inequalities of spending and tax revenue across jurisdictions. Those jurisdictions at the centre of urban cores are confronted with additional expenses, since they must offer public services that actually benefit a wider area. These costs are not always offset by their revenues, even if such revenues tend to be higher. The taxation potential is an indicator used to compare the potential tax wealth of local authorities and their inter-municipal authorities. That potential for the urban community of *Marseille Provence Métropole* is one-fifth that of the wealthiest inter-municipal authority (the EPCI named *Ouest Provence*, which includes six municipalities including Istres). The reasons for the gap in tax revenues include, in particular, the sizeable differences in tax bases and rates between the inter-municipal authorities as they have defined them. There are also substantial gaps in terms of per capita public investment between the inter-municipal areas up to a factor of eight between the highest and lowest.

Numerous examples of co-operation have produced results in specific domains

Nevertheless, co-operation efforts are numerous across the metropolitan area and have increased the last decade. They tend to be flexible in nature, voluntary and weakly institutionalised. Their success depends on the ability of all participants to overcome their conflicts and agree to act in the best interest of the metropolitan area. The state, civil society and the private sector have been particularly active in spearheading co-operation.

- **State-led initiatives.** The state has always been very active in Aix-Marseille through its territorial administration, its economic development initiatives and its involvement in large infrastructure. State-led efforts to encourage co-operation among local actors have existed since the 1960s, but have met with little success (Douay, 2012). The state has led several co-operation efforts in the metropolitan area

over the past 15 years: first, through the launch of a spatial planning directive in 1999 (*Directive Territoriale d'Aménagement*); then, in the early 2000s, with the call for metropolitan co-operation announced by the Inter-ministerial Delegation for Spatial Planning and Regional Attractiveness (*Appel à Coopération métropolitaine de la Délégation interministérielle à l'aménagement du territoire et à l'attractivité régionale*, or DATAR). Since the end of the 2000s, a new phase has begun. An initiative began in 2010 aiming to ensuring the consistency of urban planning documents of a host of inter-municipal authorities. The initiative has not yet produced concrete results. In addition, the state has recently intensified its involvement in a more strategic manner on metropolitan governance, with the 2010 law on creating metropolitan areas and the 2013 law on creating new metropolitan area authorities, including a specific configuration for Aix-Marseille-Provence (see below).

- ***The civil society and private sector are also very active*** in spearheading co-operation at the metropolitan level. These initiatives are fairly common in OECD metropolitan areas and are usually led by private sector actors that are keen to see policies that address the relevant (metropolitan) scale. One of the very first initiatives was “Top 20”, led by entrepreneurs, which strives to bring Aix-Marseille-Provence into the top 20 metropolitan areas in Europe. Higher education, R&D and innovation are among the sectors with the most intensive co-operation in the past several years. In the area of culture, selection of “Marseille Provence” as the European Capital of Culture in 2013 has paved the way for wider co-operation efforts between different economic, cultural and political actors that have pooled together their strengths to make the event a success.
- ***Local authorities have also launched initiatives***, organising conferences to encourage dialogue at the metropolitan scale. They have also improved co-operation among urban planning agencies. The few collaborations have served to begin a dialogue and encourage politicians to take some common positions, albeit without any concrete results.

The success of co-operation initiatives in certain areas such as higher education and culture has failed to offset persistent co-ordination shortfalls, which are impediments to capitalising on the strengths of Aix-Marseille and optimising its potential. Public transport, urban planning, environmental policy and economic development are particularly important examples of the lack of co-operation at the metropolitan scale.

Public transport co-ordination is in the early stages, but is woefully insufficient

The metropolitan transport system is very fragmented and has resulted in an overall supply that falls short of people's needs. There are around ten different transport authorities in the metropolitan area. Public transport planning is also set at the inter-municipal level, and not at the wider metropolitan area level. This situation has created overlap and a host of complications for users. Moreover, this fragmented approach does not adequately connect residential neighbourhoods to commercial areas, the port, the airport, universities and research centres, and other technopoles. Some areas have good access to public transport, while others do not – particularly the disadvantaged neighbourhoods of Marseille. The rail connection between Marseille and Aix-en-Provence is emblematic of the lack of an integrated vision and of the overdue development of infrastructure, as for half the distance between the two there is only one set of tracks. The situation seemed to be getting better in 2009, when the county (*département*) created a joint transport authority (*Syndicat mixte des transports en commun*), which brought all of its transport authorities together under one roof. The latter has contributed to co-ordinating timetables, networks and routes, but is unable to develop a strategic and operational vision on public transport.

Although progress has been made in recent years in regional and urban planning, Aix-Marseille has fallen behind many other metropolitan areas

The *Schémas de cohérence territoriale* (SCOT), which aim to streamline urban planning across different municipalities, were set up at the inter-municipal level and therefore do not cover the entire functional socio-economic area. Consequently, six territories now covered by the SCOTs exist side-by-side, unlike in other French metropolitan areas that have drawn up strategic blueprints at the metropolitan level (Grand Lyon, Nantes, Toulouse, Bordeaux, etc.). In the area of local urban planning, progress has been even more limited. Those planning documents, aiming to regulate land-use, are generally applied at the municipal level. Today, there are several dozen planning documents for different parts of the metropolitan area. For housing and urban planning, the biggest difficulties are also related to the segmentation of competencies, which has meant that the presence of subsidised housing varies widely across the metropolitan area. Urban renewal programmes are also slow in getting off the ground.

Environmental problems are numerous, particularly given the ecological assets of the area, and concern pollution and the high level of environmental risks, but their management is also highly fragmented. The environment is a public good, yet these problems cross administrative borders. Many different environmental planning documents (prepared in the context of the *Grenelle 2* environmental law) on issues ranging from energy/climate change, waste management to air pollution, among others, have been prepared in a fragmented way across the metropolitan area.

In addition, the development of the port of Marseille Fos has long been conducted in an isolated manner. The port, managed by the state, which is the sole shareholder, is not sufficiently integrated in its local community or its hinterland (OECD, 2012). Nevertheless, efforts in recent years have been made to connect the port and its surroundings and to implement more integrated development policies. The municipalities strive to take back and revitalize the areas connecting the city and the port. In Marseille, several projects have been undertaken to accomplish this goal, notably the *Euroméditerranée* initiative and the “City-Port Charter”.

The fragmentation of economic development plans is also a hindrance to the area’s competitiveness

There is a wide variety of job creation schemes and economic development plans, but these initiatives are disparate and lack co-ordination. Companies and entrepreneurs are confronted with multiple contact persons to get the help they need or to solve specific problems, especially when their needs are at the intersection of several municipalities or municipal associations. Several wide-ranging projects for developing the metropolitan area and the region as a whole (e.g. the Henri Fabre project for the helicopter of tomorrow, which aims to employ 10 000 persons by 2020) suffer from these fragmented policies. Regional marketing initiatives to attract international investment and people to Aix-Marseille are not sufficiently co-ordinated, thus failing to reveal the metropolitan area’s qualities and contributing to lack of awareness of them. The fragmentation of public actors in charge of economic development adds to the fragmentation of organisations representing the private sector.

Towards metropolitan governance reform: the French law to build a metropolitan area with strategic competencies

There is a broad consensus on the necessity of reforming governance in the metropolitan area among both local actors and the French government, but there are still diverging opinions on what shape that governance should take. The challenge of metropolitan governance is shared by many metropolitan areas in the OECD which have encountered difficulties in implementing policy at the relevant scale. Given the deadlock in Aix-Marseille, the state took the initiative in 2013 to propose a law on metropolitan areas that seeks to clarify their competencies. The law was adopted in January 2014. Three specific projects are planned for Paris, Lyon and Aix-Marseille. For the last of these, the law

proposes to create on 1 January 2016 a new inter-municipal association, with its own taxing power, to replace the six inter-municipal authorities that currently exist in the metropolitan area. This metropolitan structure (*Aix-Marseille-Provence*) will be managed by a council that will operate along the same lines as an “urban community” (*communauté urbaine*). The Region and *département* will be able to delegate some of their functions to the new structure. It will also have dedicated resources (grants and local taxes). In addition, the metropolitan area will be split into several sub-areas with the same perimeter as the current inter-municipal associations. Each sub-area will be administered by a council (*Conseil de territoire*) comprised of advisors to the metropolitan area who shall be assigned by the municipalities.

In line with the panoply of reforms being enacted in OECD countries, the future metropolitan area will be an authority with strategic competencies. Such competencies include planning and economic development and concern management of key sectors (transport, environment, subsidised housing, water, waste management, and other utility networks). The new authority will therefore have significant operating responsibilities. Over half of metropolitan governance structures in the OECD manage regional planning, transport and economic development. The French reform emphasizes the need for the future metropolitan authority to have the capacity for action, implemented gradually (with initial implementation in 2016 and starting in 2020, universal suffrage for a certain share of metropolitan authority officials, the others being appointed by member municipalities). In the initial stages, the new structure will continue to act on the inter-municipal level, but at the more appropriate scale of the wider metropolitan area.

The law is just the first step and its implementation will be the key factor in determining the impact of the reform.

The future metropolitan area must demonstrate that it offers genuine added value, i.e. that it tackles issues that are not sufficiently addressed by other local authorities and thus resolves long-standing problems. The authority will also make it possible to think strategically about the development of the entire metropolitan area. The debates associated with the metropolitan reform law have drawn attention to the tensions surrounding this topic and the opposition of many local elected officials to it. The law alone cannot solve all these disagreements. Rather, they must be resolved by pragmatic discussions among the different players. The law in and of itself is merely a first step, while the manner of its implementation will determine its impact. In order to implement the reform, the state has created an Inter-ministerial Task Force for the Metropolitan Project Aix-Marseille-Provence, which is responsible for ensuring the transition and that all stakeholders (citizens, local authorities, the private sector, and civil society) are on board. Comprised of national civil servants and experts seconded by the partners (municipalities, chambers of commerce, the port, and other public enterprises), this Task Force seeks to ensure the launching of the metropolitan authority and prepare the substance of its strategic role.

What lessons can the OECD provide as guidance for enacting reform in the metropolitan area?

Seven rules have been developed that draw on the experience of OECD metropolitan areas in enacting and implementing reform:

- 1. The metropolitan area must have the backing of the population and be perceived as “legitimate”.** This legitimacy may be built by various consultations, representations or by referendum. It can also be built gradually through concrete projects which make visible the new metropolitan governance.
- 2. Stakeholders in the reform must be closely involved in all stages, from its preparation to its implementation.** Experience has shown that reforms that have been imposed generally do not accomplish the goals they set out to achieve. Insofar as local stakeholders rarely hold the same position on reform decisions, it is better to offer opportunities for dialogue among the different parties to help forge an acceptable metropolitan form.

3. **It is important to build alliances between different actors that support a reform of metropolitan governance.** London and Barcelona are examples of metropolitan areas that have been able to construct such alliances over the long term. The public authorities alone cannot make the policies required to transform a metropolitan area and therefore they must bring together specific partners.
4. **Metropolitan governance must provide real value-added. Reforming the governance of a metropolitan area must not simply add an additional layer of government.** In OECD countries, Greater London and Metro Portland (United States) are particularly good examples of metropolitan governance authorities generating institutional gains.
5. **Reforms must seek to avoid reigniting conflicts in the metropolitan area.** How the local authorities are structured within the metropolitan territory must be well thought-out in order to prevent pre-existing conflicts from being stirred up. Development of the Barcelona Metropolitan Area is an example of how to avoid such conflicts by integrating existing inter-municipal authorities into the new authority.
6. **The metropolitan area must provide financial value-added.** Financial issues are often perceived as an impediment to co-operation, whereas they can also be the reason for co-operation. The metropolitan area governance must provide added value in terms of new financial resources or financial solidarity. It must also improve efficiency, such as by reducing unnecessary duplication in public spending or generating economies of scale.
7. **The reform implementation process is as crucial as the nature of the reform.** The process should not be left to chance and must be structured and monitored in all phases. Bologna and Barcelona have illustrated innovative processes that could provide inspiration for Aix-Marseille.

3. *How to drive change? Lessons from the OECD*

What initiatives should be carried out in the short term to implement such reform?

To successfully carry out the reform process in the metropolitan area, timing issues need to be properly organised and managed. Concretely, the short term and the long term must be connected (the metropolitan area must start to exist from the outset via specific initiatives that make it visible, while not losing sight of the end goals of the proposed reform).

- ***State-led initiatives in the short term.*** The state must communicate on the 2014 law. In fact, it is important that proponents of the law, starting with the state, take the initiative on this point in order to avoid misunderstandings. In addition, the state could open up the board of directors for agencies and entities that it controls in the metropolitan area to local representatives, such as the port or the *Euroméditerranée* public institution. The port of Auckland succeeded in bringing on board local actors with a metropolitan perspective, which could be instructive for Aix-Marseille. This is critical if the port's development is to be integrated with the surrounding metropolitan area.
- ***Initiatives led by local authorities.*** Given the current dynamics, one of the first initiatives the local authorities could undertake would be to reinforce co-operation in order to arrive at a shared vision of the metropolitan area's future in the framework of a new "metropolitan conference" open to all local authorities. Certain local authorities could engage in closer co-operation in a number of sectors for which such co-operation is mature.

- **Collective initiatives to give the new authority legitimacy support the metropolitan vision.** Launching or intensifying a flagship project, such as in public transport, can play a federating role if it is clearly associated with the new metropolitan governance. In addition to transport, several initiatives, to cite just a few examples, could be undertaken in the short term, combining concrete action and communication about the event. They include: the organisation of “citizen events” on the theme of the metropolitan area whereby awareness is raised of the new authority through the media. For instance, Vancouver set up a dialogue platform for exchanges on issues related to the metropolitan area and launched a host of initiatives to involve residents. A third type of initiative could include the creation of “metropolitan objects”, i.e. something tangible that will serve as a concrete example of the utility of the metropolitan authority in the eyes of the population. A “metropolitan object” could be a single transport ticket that covers the entire metropolitan area, which does not yet exist for Aix-Marseille. Numerous metropolitan areas have implemented a single ticket approach (such as the *Metropoliticket* of the *Verband Region Stuttgart* metropolitan authority).

Longer term initiatives

Regardless of the boundaries chosen for the metropolitan area, the state can contribute by setting the example. First, it could structure or restructure its territorial administration at the metropolitan level. Second, it could incorporate more “metropolitan” aspects into its tools and programmes like the city’s policies and the state-region contracts (*Contrats de Plan État-Région - CPER*). The state could also serve as a catalyst by supporting civil society initiatives, including through financial assistance, which would lend them credibility in the eyes of various public authorities.

Several long-term and concrete initiatives could be taken by local players, building on the current dynamic.

- The most urgent action needed for nearly all national and local players is to provide a *strategic* response to public transport needs. In particular, it seems necessary to rethink public transport between the urban cores. Aix-Marseille is one of the few French metropolitan areas that does not have an integrated public transport system, both in terms of the fares it charges and the physical network. It is urgent to set up such a network. Such a configuration is present in a number of metropolitan areas of the OECD, but the most successful example and whose configuration most closely resembles that of Aix-Marseille is that of Germany’s “communities of transport”, particularly the transport authority in Frankfurt. It sets transport policy, is in charge of planning, makes investment decisions, sets rates, and co-ordinates the 153 public and private operators.
- The second-most urgent initiative concerns planning in the broad sense of the term, including strategic and spatial planning. A merger of the urban planning agencies would enable the entire metropolitan area to move forward on reforms from a technical and political standpoint.

It is important that the state adapts its own territorial administrations to the metropolitan scale and the same goes for the private sector, non-governmental organisations and civil society more generally. If the private sector were better organised itself at the metropolitan scale, it could be more coherent in its positions and demands vis-à-vis policymakers and thus speak with a louder voice. It would allow the private sector to weigh in more heavily on the metropolitan debates and appear more credible in the eyes of local authorities and the state. Several metropolitan areas in the OECD have seen the private sector and civil society take on more organized structures at the metropolitan scale. The most innovative case study is that of Stuttgart where several metropolitan forums were created and served to build a sense of belonging in the metropolitan area.

The different stakeholders in the metropolitan area can work together on three types of actions, which correspond to needs expressed by local actors.

- The first is the **creation of a strategic vision for the metropolitan area**, which is probably the most important initiative in the long term, as it must be forged from concrete objectives and

public policies to be carried out. The metropolitan approach must involve public debate and local society (such as that which took place in Barcelona and Turin).

- The second initiative is **the international promotion of the metropolitan area**. Aix-Marseille does not have a “brand” or a structure to promote and develop it (such as those in Montreal, Lyon, Busan, and Manchester).
- The third initiative is to **build, for the metropolitan area, a sustained structure based on exchanges with all of civil society**. In order for metropolitan governance to be perceived as legitimate, it must provide tangible results beyond the political realm and certain parts of the economic and intellectual spheres (such as the *Agora Métropolitaine de Montréal*).

Conclusion: Aix-Marseille is at a crossroads

France’s third-largest metropolitan area has considerable strengths, but its development is threatened by striking social inequalities. Aix-Marseille must overcome the fragmentation of governance and insufficient co-ordination in order to resolve internal disparities that have undermined its competitiveness. The future metropolitan authority, planned for 2016, must bring added value in financial and institutional terms. In doing so, the metropolitan authority could regain the trust of its citizens and contribute to inclusive and sustainable growth throughout the metropolitan area.

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