The region Grand Est in the world
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Overview: The international profile of the Grand Est region is distinguished by its strong cross-border dimension. Its capacity to export industrial goods as well as its attractiveness profile underline its potential for reindustrialisation and strategic positioning in global value chains despite challenges in terms of unemployment rates, tourism dynamics and territorial disparities.

Internationalisation and Attractiveness of the Grand Est region

Figure 1. International profile

Source: OCDE, 2021

Overview of the internationalisation of the Grand Est region

The OECD distinguishes between four families of international connections to position regions: business connections, human connections, knowledge connections and infrastructure. The internationalisation profile of Grand Est highlights the region’s strengths in terms of business, with a significant share of employment in foreign enterprises and as the second largest exporting region in France (Figure 1).

Figure 2. Attractiveness profile

Source: OCDE, 2022

Overview of the attractiveness of the Grand Est region: Six areas of regional attractiveness, grouping together fourteen dimensions – and based on the analysis of some sixty indicators – such as the dynamism of the labour market and the quality of Internet access, have been identified by the OECD. The profile of the attractiveness of Grand Est, a "radar" comparing the region to the average of French regions (in blue) and to the average of European regions (in orange), makes it possible to draw a twofold conclusion (Figure 2).

Compared to other regions, Grand Est has a solid attractiveness profile in terms of public services, social cohesion and cultural assets but is more heterogeneous than in economic terms. In terms of education, the region has good access to primary education and top universities. Many innovative initiatives build international links and encourage a large number of international talent to come and study or research here. Among many
initiatives, the Grand Est Region can point to the UniGR, the University of the Grand Region, the Georgia Institute of Technology campus located on the Metz Technopole as well as the European University of Technology (EUt+) led by the Université de Technologie de Troyes (UTT). Nevertheless, the data reveal that this university influence does not systematically translate into innovation, given the low rate of employment in R&D. However, the regional innovation and attractiveness agency Grand E-Nov+ displays a strong commitment to support new collaborations.

**Communication of the Region: web analysis**

An analysis of the website of the Grand Est Region confirms its European focus ("Europe" being the most recurrent word) and its desire to target youth, employment, transport and tourism. While several French regions also include the words "Europe" and "international" on their sites, Grand Est is the only region to have translated its site into a foreign language, in this case English and German. Finally, the slogan of Grand Est, " L'Europe s'invente chez nous" (Europe is invented in our region) confirms the will to highlight the European identity of the Region.

By way of comparison, the neighbouring region of Saarland, in Germany, also places strong emphasis on its European positioning, employment and tourism by adding a very visible attractiveness axis to its communication.

**Grand Est**

![Image of Grand Est's website]

**Sarre (Germany)**

![Image of Sarre's website]

**From crisis to recovery in the new global environment**

Hard hit by the health crisis, the region can rely on its industrial exports as a driver of recovery and revival. 11,947 EUR per capita in 2019, well above the averages (Figure 3). The recovery of exports in the Grand Est has been stronger than the French average: exports have fallen by -12.6 percentage points (pp), compared with -14.8 pp in France. Similarly, between 2019 and 2021, unemployment fell by -1.1 pp in Grand Est, whereas it fell by only -0.4 pp on average in France over the same period (OECD). However, these data mask significant sub-regional disparities in terms of employment: in 2019, territories such as Bas-Rhin or Marne had unemployment rates of less than 8% (below the national average); while in the department of Aube, the unemployment rate stood at 10.6% in 2019 (INSEE, 2021[1]).

Tourism is experiencing a more difficult recovery than the export-oriented sectors. The adaptation required for these changes is likely to be long-term, such as the preferences of international visitors for local tourism (e.g. United States), as well as new health standards for international travel (COVID-19 screening, isolation periods). As an example, the number of overnight stays in tourist accommodation in Grand Est fell by -50.4 pp between 2019 and 2020, compared to the French average of -47.1 pp and -45 pp in the OECD (INSEE and OECD data collection of national statistical sites of 25 countries). Taking note of these assets and challenges, the Regional Council, the State and local actors have together designed an economic recovery and reconstruction plan (Box 1).
Box 1. The Grand Est Business Act: thinking about recovery together

The Grand Est Region is taking advantage of the new economic situation to reposition its attractiveness, while keeping a focus on priorities being reinforced by the crisis. Among the many national and sub-national strategies in which the Region participates or which are piloted by the Region, the Grand Est Business Act takes particular note of the transformations linked to the crisis and megatrends (e.g. digitalization) (Grand Est, 2020). This strategic document, which is the result of close collaboration between the Regional Council, the State (Prefecture) and numerous local players, brings out a shared vision of regional attractiveness. It identifies three major levers of transformation, ecology, digital and industry 5.0, and sets out a plan to improve investment, training, innovation and quality of life through 80 actions, 40 projects and 12 proposals for simplification or experimentation. The Business Act is an innovative approach to bring together stakeholders around a territorial vision of attractiveness. However, monitoring and evaluation indicators are not included in this plan. These tools would help in evaluating the implementation of the Act and its potential impact on long-term recovery.
For better governance and attractiveness policies

Well-governed attractiveness policies are essential to achieve the objectives defined in the Grand Est Business Act, the SRDEII and other development strategies. The OECD has identified various governance challenges that emerge when implementing regional attractiveness policies. In particular, Grand Est has been able to respond to the challenge of shared objectives concerning the coordination between local economic development agencies and the regional innovation agency around foreign direct investment (FDI) projects. This challenge consists of converging objectives between levels of government (national, regional and local) in order to support the development of coordinated attractiveness and internationalisation strategies, while avoiding sterile competition. In order to respond to this, the Region has brought together the various players in an innovative mechanism (see Box 2).

Box 2. COSTRAT and COTECH: convening actors to strengthen the coherence and implementation of the attractiveness policy of the Grand Est Region

The diversity of the territories that make up the Grand Est region (formerly Alsace, Lorraine and Champagne-Ardenne) is a lever for economic diversification and the development of inter-territorial synergies thanks to the complementarity of economic profiles. However, this diversity presents non-negligible challenges of coordination and coherence when it comes to forging a policy of attractiveness on a regional scale. It is also a question of enabling each territory to have its chance in globalisation and to be supported by the Region.

In order to meet these challenges, the Grand Est Region has set up a coordination mechanism based on dialogue and the participation of all players in the regional attractiveness ecosystem (local agencies, Grand ENov+, metropolises, chambers of commerce, ART Grand Est, etc.). Two steering committees define the original governance structure:

- The COSTRAT committee, led by the President and Vice-President of the Grand Est Region, is made up of the Prefect, the Presidents of the metropolises, the Presidents of the 8 economic development agencies, Invest in Reims, the CCI Grand Est and the French Foreign Trade Advisors. The COSTRAT validates the regional FDI strategy, negotiates priorities and monitors and evaluates the implementation of the strategy, notably through a regional FDI report.
- The COTECH committee, led by the Deputy Director General for Attractiveness of the Region, is composed of the executive directors of the eight economic development agencies and the executive directors of the following organisations: Invest in Reims, Grand ENov+, CCI Grand Est and the Regional Tourism Agency (ART). The COTECH makes proposals to COSTRAT concerning the regional strategic orientations for FDI and coordinates its transparent implementation.

These two pillars thus ensure a regional governance of FDI, both strategic and operational, which brings together actors from different levels of government. The committees allow consensus to emerge, and new synergies to be forged, notably through the participation of actors such as ART. By drawing up the roadmap for FDI in the region, the actors territorialise the attractiveness policies. They identify the geographical location of the sectors and their complementarities, and thus minimise competition by encouraging a cooperative approach. To strengthen and formalise this cooperation, the committees also have the task of drafting an operating charter between local economic development agencies and the regional innovation and attractiveness agency, Grand ENov+. This approach by the Grand Est Region meets the challenges of multi-level governance by facilitating the adoption of convergent objectives, involving all public and private stakeholders, overcoming administrative boundaries and reducing information asymmetries.
The Grand Est Region also wishes to make innovation a major attractiveness lever by creating Invest Eastern France, a branch of the regional innovation agency, Grand E-Nov +, which has become responsible, in conjunction with local agencies, for supporting FDI in its territory. Grand Est can also draw inspiration from international examples, such as Michigan, in order to deploy new mechanisms for attracting investment in targeted areas (see Box 3).

**Box 3. The Michigan Economic Development Corporation: how an American state supports attractiveness in strategic sectors**

Building on its automotive industry, the Michigan Economic Development Corporation (MEDC) - the state’s economic development agency - has put in place a series of measures to translate Michigan’s desire to attract investors in the field of transport and mobility into action.

As a result, the MEDC opened the Office of Future Mobility and Electrification. The goal of this initiative is to expand the state’s green transportation economy and improve Michigan residents’ access to more environmentally friendly transportation. It also aims to accelerate the adoption of electric vehicles in Michigan’s automotive sector and to train the state’s workforce to support the attraction of investment in this sector. To achieve these goals, the MEDC has put in place a series of financing and investor attraction instruments:

- The creation of new grants through the Michigan Mobility Challenge which encourages companies involved in transport and mobility to set up in the region;
- Supporting projects related to the major challenges of urban mobility;
- Increasing the availability of training and upskilling for factory workers, especially in the assembly of batteries and electric car components;
- The implementation of new generation software in electric battery charging stations.

These tools are then supported by partnerships between US states, for example to accelerate the deployment of electric vehicle charging stations in other states, including regulatory changes that would facilitate their financing and installation. The state is also considering partnerships with the private sector to install new charging stations on public property and assets. Finally, the MEDC wants to organise a Future Mobility Congress on a range of topics related to electrifying mobility and infrastructure, including post-pandemic transport, 5G and cyber security.

Source: (MEDC, n.d.)
Recommendations

The OECD study suggests a series of recommendations to improve the impact of the internationalisation and attractiveness strategies of the Grand Est Region. The OECD recommends discussing the following measures within the COSTRAT and COTECH structures in order to take advantage of the various sub-national attractiveness levers:

Transform the Region’s attractiveness to foreign students into a lever for R&D

- Promote the quality of life and the support of the Region for its innovation ecosystem to retain qualified foreign students in private and public research and development structures
- Include research and higher education stakeholders in the COSTRAT and COTECH committees in order to include an innovation and talent component in the policies implemented by the Region

Invite the actors of the Grand Est to systematically include the land dimension in their attractiveness strategies

- Ensure that the results of the Regional Plan for Sustainable Development and Equality of Territories (SRADDET) support the development of attractiveness strategies (tourism, exports, FDI, innovation) at all territorial levels
- Resolve, through dialogue and planning between stakeholders, any tensions between the demand for large areas of land for reindustrialisation (Grand Est, 2020) and the de-artificialisation of land; ensure consistency with the next SRDEII
- Propose inter-territorial land offers to investors and thus strengthen inter-departmental cooperation in terms of attractiveness

Use a common set of diagnostic indicators to select the priorities of attractiveness policies and monitor their implementation

- Support the preparation of the new SRDEII with a dialogue between stakeholders around a shared set of attractiveness indicators that includes existing tools and the OECD proposal
- Agree (in the COSTRAT and COTECH committees) on a key group of internationalisation and attractiveness policies by suggesting indicators that will enable the various stakeholders to monitor and evaluate them
- Involve cross-border partners in this process to create a mutual dynamic of exchange of indicators, data sharing and peer learning

References


