Saint-Étienne City Report
By Astrid Winkler

Contents

Preface
Acknowledgements

1. City Context

2. Crisis

3. Recovery: Action taken
   3.1 Action on employment and economic development: 1983 to 1999
   3.2 Political and institutional changes
   3.3 Action on residential appeal: 2000 to present

4. What has changed: Signs of recovery?
   4.1 Property prices
   4.2 Inward investment and economic development
   4.3 Population
   4.4 Relations with Lyon
   4.5 Social cohesion and participation

5. Concluding thoughts

Sources: Interviewees and Bibliography
Europe is a continent of cities with a remarkable history of cultural inspiration, wealth creation, social and political dynamism. But in the late-20th century, many former industrial cities entered a period of steep decline, losing most of their manufacturing jobs and many of their economic functions. Populations declined and wealthier suburbs outstripped the declining inner cities that had housed the “engines of the world” and now housed some of the greatest concentrations of poverty. The US experienced even more extreme decline.

The idea of Weak Market Cities was born at the second UK Government conference on an Urban Renaissance, hosted by Manchester in 2002. European and American city leaders debated the changing fortunes and prospects of former industrial cities. The pressures of growth and sprawl were counterbalanced with inner urban depopulation and decay; the new skills needed for the new “knowledge” and “service” economy were contrasted with high levels of worklessness and poor schools. Cities now house the majority and fastest growing share of the world’s expanding population, and they are on a treadmill of physical pressure, social disorder, and economic insecurity.

The London School of Economics’ Centre for Analysis of Social Exclusion (CASE) with the Brookings Metropolitan Institute developed a programme to uncover the problems besetting such cities, the recovery measures under way and their impact. Generously funded by the Joseph Rowntree Foundation, CASE researchers identified seven cities across Europe, embarking on impressive recovery actions to reverse decline. We wanted to establish the common ground and differences between a group of comparable cities, exploring their progress and ongoing challenges. Seven cities in five countries became partners in our work: Bremen, Saint-Étienne, Leipzig, Torino, Bilbao, Sheffield and Belfast. The five countries – Germany, Italy, France, Spain and the UK – represent nearly three quarters of the EU’s population.

All the cities had four common characteristics: a major industrial and manufacturing history; severe loss of these industries and related jobs; population outflow; a crisis of leadership, economic viability and inward investment. We rooted our study in the actual experience of cities, based on visits, interviews, historical and current local reports. In documenting what we found, we looked for patterns of change and common lessons that might be more widely applicable.

We recognised that the wealth of detailed experience, lived out by local residents, actors and organisations in each particular place, should be captured in some way. Therefore we are pleased to present reports from each of the cities as working papers, documenting what we have found so far and inviting further evidence, comment and debate. The story is both dramatic and encouraging everywhere. But it is also full of uncertainty and only tenuous conclusions are possible. It would be premature to forecast the future trajectory of any of the seven cities.

The seven city reports in this series are seen by us and our city reformer colleagues as work in progress. We hope that students, practitioners, urban researchers and policy makers will find them useful as case studies.
and will feed in ideas, reactions and any corrections to the research team. We plan to present a clear overview of how cities facing such acute problems are faring in 2008.

I warmly thank our researchers, Jörg Plöger and Astrid Winkler, for the sheer scale of the undertaking and the immensely detailed work involved in collecting ground-level evidence in the languages of the country and writing up the reports. Sharing their learning through the reports will help many to appreciate the spirited comeback of cities. For as the Mayor of Saint-Étienne argues: “Very often the soul of the city is stronger than the industrial disasters, which drag it down, make it wobble and threaten to wipe it out.” (Michel Thiollière, 2007)

Anne Power
CASE
26th October, 2007

Acknowledgements

This report on the city of Saint-Étienne is based on local field visits, official and local reports, European Union evidence and discussions with many local actors. We would like to thank all the people who have helped us in preparing this report, particularly colleagues in Saint-Étienne, the EU, CASE and JRF. Anna Tamas, Nicola Serle, Laura Lane and the LSE Design Unit prepared the report for publication and we gratefully acknowledge their help. We accept full responsibility for any mistakes, inaccuracies or misunderstandings of complex and fast-changing local events. The report reflects work in progress and we would be glad to receive additional information and alternative views on our work. For more information about the programme, please contact Nicola Serle at n.serle@lse.ac.uk.
1. CITY CONTEXT

Saint-Étienne is located in central eastern France in the Rhône-Alpes region, 60km southwest of Lyon (see Figs. 1 and 2). The municipality (commune)\(^1\) has 180,210 inhabitants, and covers an area of 80km\(^2\), with a population density of 2,253 persons per km\(^2\) in 1999 (INSEE, 2006).\(^2\) The Saint-Étienne metropolitan area (aire urbaine) comprises 41 municipalities, has 321,703 inhabitants, and covers 618 km\(^2\) with a population density of 521 persons per km\(^2\) in 1999 (INSEE, 2006). It is currently France’s sixteenth largest urban region.

Figure 1: Map of France

\(\text{Figure 1: Map of France}
\)

\(^1\) The commune (municipality) is the lowest tier of the administrative hierarchy in France. The existence of communes dates from the division of France into villages or parishes at the time of the French Revolution, which explains their small size and large number. Metropolitan France is currently divided into 36,571 communes, 3,879 cantons (cantons), 329 arrondissements (boroughs), 96 départements (Departments) and 22 régions (Regions). Like Departments and Regions, each French municipality has its own decision-making body (the municipal council) and an executive (the mayor), elected by a municipal council whose size is proportional to the municipality’s population.

\(^2\) The latest confirmed population data available is from the 1999 census, conducted decennially by France’s statistics institute INSEE. A population estimate for the municipality of 175,700 was released by INSEE for 2005, indicating further population loss (INSEE, 2006b).
Saint-Étienne was a small rural town, founded in the middle ages, which rose to prominence through industrial growth in the 19th century. There were originally many geographical obstacles to development, as it lay within a hilly, cut-off valley with bitter weather, but its rich resources of coal and iron and its location near Lyon eventually became an advantage. The city used its natural resources to become a prominent centre of industrial production based on extraction and industrial processing (see Box 1).

**Figure 2: Map of Rhône-Alpes region**

Source: Geoatlas.com
Coal was first mined in Saint-Étienne in 1296 for domestic purposes. By the 1300s, it was being used to feed forges making iron to produce knives. Knife production fuelled a growing weapons industry, leading eventually to a rapidly expanding firearms industry. Firearms were being produced *en masse* by local craftsmen as early as the 1570s (Merley, 1990).

By the 17th century, the booming European arms industry had made Saint-Étienne into a town of national renown. The Imperial Arms Factory was founded in 1764, sponsored by the French Royal Court, to centralise and expand local production from 3,000 to 20,000 arms per year. During the French Revolution, the city was even briefly rechristened ‘Armeville’ (Arms Town).

Saint-Étienne was also famed for its lace ribbons, hand-made by skilled craftspeople in *ateliers* across the city. Craft production of textiles became an important activity from the 17th century onwards. In 1850, ribbon-making employed half the city’s economically active population, and produced a higher economic turnover than the coal and metal industries combined (Verney-Carron, 1999).

By the early 18th century, rural-urban migration was swelling Saint-Étienne’s population rapidly. Four in five of the town’s inhabitants were now working in industrial occupations, and the majority were illiterate. Housing conditions were squalid, with densely packed, poorly-built housing, unpaved streets and a single spring water fountain providing the town’s drinking-water.

### Box 1: Historical timeline

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1296</td>
<td>First mining of coal in Saint-Étienne for domestic purposes</td>
</tr>
<tr>
<td>1300s</td>
<td>Became a centre for metal-work</td>
</tr>
<tr>
<td>1746</td>
<td>Royal Arms Factory founded</td>
</tr>
<tr>
<td>1816</td>
<td>School of Mines (<em>École des Mines</em>) founded to train mining engineers</td>
</tr>
<tr>
<td>1823</td>
<td>France’s first rail line built between St-Étienne and Andrézieux (for coal transport)</td>
</tr>
<tr>
<td>1830</td>
<td>First sewing machine invented in St-Etienne</td>
</tr>
<tr>
<td>1855</td>
<td>Becomes capital of the Loire <em>département</em></td>
</tr>
<tr>
<td>1857</td>
<td>School of Fine Art (<em>Ecole des Beaux Arts</em>) founded</td>
</tr>
<tr>
<td>1881</td>
<td>St Etienne’s first tram opened</td>
</tr>
<tr>
<td>1885</td>
<td>Manufrance (<em>Manufacture Française d’Armes &amp; de Cycles</em>) founded</td>
</tr>
<tr>
<td>1898</td>
<td>Casino supermarket business founded</td>
</tr>
<tr>
<td>1946</td>
<td>All coal mines nationalised</td>
</tr>
<tr>
<td>1961</td>
<td>National College of Engineers (<em>École Nationale des Ingénieurs</em>) founded</td>
</tr>
<tr>
<td>1969</td>
<td>First local university (<em>Université Jean Monnet</em>) founded</td>
</tr>
<tr>
<td>1977-83</td>
<td>Communist municipal authority</td>
</tr>
<tr>
<td>1983</td>
<td>Last mines close</td>
</tr>
<tr>
<td>1985</td>
<td>Manufrance closes</td>
</tr>
</tbody>
</table>
As the industrial revolution accelerated in France in the nineteenth century, the town’s mines were deepened and heavy industry expanded. In 1823, continental Europe’s first railway was built in Saint-Étienne, to facilitate transportation of coal from more than 200 mines in and around the city to the Loire valley, and on to Paris. Saint-Étienne’s regional importance grew in step with its industrial expansion. It was made the chief town of the Loire Department in 1855.

State intervention in Saint-Étienne’s industrial development
Over the 19th century, the town’s industries underwent a process of rationalisation as mass production created bigger industrial units, leading to the gradual demise of more craft-based production. The French State was keen to make France a self-sufficient industrial powerhouse. It thus encouraged the growth of heavy industry in the region, leaning on Saint-Étienne as one of the ‘workshops’ of the nation (Frerot, 2005). The multitude of local workshops producing military weapons were consolidated by the State into a single dedicated factory, the Imperial Arms Factory (Manufacture Impériale d’Armes), under Napoleon III in 1868 (see Fig. 3).

Figure 3: The Imperial Arms Factory, 1894

Figure 4: A local steel works, late 19th century

By the late 1800s, the town had become a city with an industrial fabric of large coal and steel-related factories linked to a dense network of local small and medium-sized enterprises (SMEs), providing components and marketing the products (see Fig. 4). The best example of this integration of activities was the highly successful French Arms and Cycles Factory (Manufacture Française d’Armes et de Cycles, commonly known as Manufrance), founded in 1895 to produce hunting weapons, bicycles and sewing-machines, sold to customers across France by mail-order (see Figs. 5 and 6). This factory, which pioneered the design and production of modern bicycles and sewing machines, soon became the city’s chief employer, and Saint-Étienne became famous for producing the country’s first bicycle. Ribbon-making was eclipsed by the heavy industries as they moved into mass production, but it continued to be one of the city’s top four employment sectors (alongside metalwork, arms and cars) until its eventual demise in the 1980s.
The concentration of large companies created a hierarchical local economy linked to the State and its needs, gradually replacing the earlier evolution of more horizontal relationships that had characterised the town’s small workshop-based industrial landscape. The city’s industrial élite, which had traditionally been closely involved in local politics and controlled most of the local political institutions, was increasingly marginalised by the growing state control of local industrial production. This brought increasing distance between political and economic actors, and a gradual deterioration in local collective decision-making capacity (Béal et al, forthcoming).

Heavy industries continued to flourish during the early 1900s, profiting from the huge demand for arms prompted by the two World Wars. Regional inward migration coupled with continuing industrial growth sustained the city’s position – the 1911 census ranked it as France’s tenth city (see Fig. 7). However the French economy was greatly damaged by almost continual conflict with Germany throughout the first half of the 20th century, and many French cities suffered as resources were diverted to military efforts.

Figure 7: Population development, Saint-Étienne municipality

Sources: Verney-Carron, 1999; INSEE

Note: Population figure for 2004 (176,800) is an INSEE estimate
Post-World War II

The municipal government faced two immediate post-war concerns: the revival of the local economy, and the housing crisis. Because of its importance in weapons-manufacturing, Saint-Étienne had been heavily bombed during World War II. Housing shortages were particularly acute given the increasing numbers of immigrants arriving in the city from the 1950s onwards, particularly from France’s North African colonies. Many of them were forced to live in squalid conditions in city-centre slums. Mayor Alexandre de Fraissinette, in office from 1947 to 1964, took action to address the acute housing shortages and serious dilapidation of the city caused by the war. Housing was far more pressing than economic issues, over which he had far less control or leverage.

Under strong government incentives, the local government responded to the housing crisis during the 1950s and ‘60s by sponsoring municipal housing companies which received government subsidies to construct large social housing estates, known as grands ensembles, on the periphery of the city (see Fig. 8). This added tens of thousands of units to the city’s housing stock. The Saint-Étienne region still has a high proportion of social housing, totalling 23% of primary residences in 1999, compared to the national average of 15%. The peripheral grands ensembles pose some of the city’s greatest social difficulties today.

Figure 8: 1970s postcard showing the new grands ensembles in the peripheral Quartiers Sud-Est neighbourhood, at the south-eastern edge of the city

Source: Archives Municipales de Saint-Étienne

The decline of the mining sector and the gradual closure of the local pits began in the 1940s, and cost the city 25,000 jobs over the next 30 years (Cretin, 1986, p 915). Meanwhile, the bicycle and ribbon industries were also in decline, and multiple post-war efforts to restructure and thereby salvage the city’s steel and metalwork firms also resulted in thousands of job losses (Levy, 1999, p 102). Successive municipal governments adopted a hands-off approach to the reform of the local economy during the early post-war period. Yet, the challenges faced by the country were particularly intense in industrial cities like Saint-Étienne.
The State meanwhile formulated a two-stranded development strategy in an attempt to rebuild the national economy after the war. This action took the form of several national plans, beginning with the Plan Jean Monnet, which ran from 1946 to 1952.

First, the government instigated the further concentration, rationalisation and specialisation of industrial production. Coal mines were nationalized in 1946. The State offered subsidised credit and government aid to encourage local industries to comply, and threatened to lift protectionist barriers where extra encouragement was needed (Levy, 1999). State-sponsored reorganisation of Saint-Étienne’s industries brought consolidation of major industries into a dozen large firms which henceforth served as the basis of the city’s economy.

The second strand of the State’s development strategy aimed at attracting new economic activities to the area, targeting leading multinationals. The French government singled out Saint-Étienne and its neighbour cities of Lyon and Grenoble as a ‘metropolitan growth centre’ (métropole d’équilibre), designating it as a priority development area and providing grants, tax breaks and low-interest loans to attract inward investment by alternative industries which created 9,000 jobs between 1968 and 1975 (Le Galès, 2003, p 32). The ‘regional capital’ programme also funded infrastructure projects to increase Saint-Étienne’s external connectivity, including a new motorway. It subsidised the clean-up of the city’s grimy buildings, and the construction of the first local university, the Université Jean Monnet de Saint-Étienne, in 1969. Saint-Étienne already had three prestigious research establishments (Grandes Écoles): the École Nationale Supérieure des Mines (a top French graduate engineering school); the École Nationale des Ingénieurs de Saint-Étienne; and the École Supérieure de Commerce. French Grandes Écoles are higher education institutions outside the mainstream framework of the public universities. They are generally smaller than a university, focused on a single subject area and have selective admissions processes, targeting high-flying graduates.

In the space of a century, Saint-Étienne’s economic landscape had been transformed from a horizontal network of Small and Medium Enterprises (SME) to a vertical network of large consolidated firms still fed by small clusters of dependent SMEs. This consolidation left the city highly exposed to the industrial decline that set in with the 1970s recession.
2. CRISIS

In 1973, the local economy entered a major crisis. The first global oil shock, followed by a second in 1979, caused rising energy costs, a sharp decline in consumption, and prompted a major international recession. Combined with intense competition from emerging overseas manufacturers, this dealt a real blow to the local production industries that formed the basis of the city’s economy. Over the next two decades, the city’s twelve major firms, each of which had employed several thousand workers, shrank dramatically or collapsed. This included the steel and mechanical engineering giant Creusot-Loire, with the loss of 10,000 jobs. The increasing mechanisation of industry fuelled these lay-offs. While 25,000 of Saint-Étiennes industrial jobs had been lost with the closure of the coal mines in the 1950s and 60s, a further 25,000 jobs (45% of all jobs in the urban area) were lost 1975 and 2001, and 9,000 more disappeared between 1990 and 1994 (Le Galès, 2003). In all, half of the city’s industrial jobs disappeared (see Fig. 9). As conditions and opportunities in the city grew grimmer population decline set in, with many middle-class households leaking out to the surrounding suburbs (see Fig. 10).

Figure 9: Private sector jobs in the Saint-Étienne region

![Graph showing private sector jobs in the Saint-Étienne region from 1977 to 2001.]

Sources: ASSEDIC; Saint-Etienne Metropole
Note: ASSEDIC only records salaried employment, excluding self-employed workers. Saint-Etienne Region is defined here in socio-economic (not administrative) terms, and includes 41 communes.

At a local political level, efforts to formulate a coordinated urban planning response to the industrial crisis suffered from a lack of consensus among the 40-plus municipalities that formed the city’s functional economic area. The 1970s saw several failed attempts at formulating an Urban Masterplan to address the city’s chronic urban problems; they were undermined by disputes between the different municipalities in the urban area (Tomas, 1978). Meanwhile, high unemployment led to social unrest. The local communist party won a surprise
victory in the municipal elections of 1977 on a platform of rescuing from bankruptcy the city’s flagship firm Manufrance, and the 4,000 jobs it provided (see Fig. 11) (Ardagh, 1995, p 62).

The Communists’ reaction to the economic crisis was to lean on the State for the formulation of a national economic plan. They adopted a populist, short-term defensive strategy of financial aid to the city’s struggling big employers, particularly Manufrance, while failing to create a forward-looking local economic development strategy (Béal et al, forthcoming). By the early 1990s, no local firm had a workforce of over 1,000. Most major employers had disappeared.

Meanwhile, mistrust between public and private sector grew. The shrinkage and collapse of Saint-Étienne’s big firms during the 1970s and ‘80s engendered a sense of bitter resentment which translated into a lack of cooperation and communication between public and private sectors (Béal et al, forthcoming).

Figure 10: Percentage of Saint-Étienne’s metropolitan area residents living in the suburbs surrounding the core city

Source: Author’s calculation, based on Moriconi-Ebrard, 2000
Figure 11: Contemporary cartoon illustrating the bankruptcy of Manufrance
3. RECOVERY: ACTION TAKEN

National and local political change
By the mid-1970s, as the French economy began to suffer the effects of deindustrialisation and mass unemployment loomed, national government took action to tackle the related social and economic problems.

The peripheral grands ensembles housing estates, built during the post-war years, had by then become seriously dilapidated and ethnically polarised, with the white working-class families decamping to better conditions in the suburbs and leaving behind a concentrated stock of poor and immigrant families. Recognising the extent of the problem, the national government began to develop special rescue programmes to target these areas. Political action was galvanized by serious urban riots in grands ensembles at the edges of Paris and Lyon in 1981. Successive governments developed a series of policies aimed at tackling the problems of disadvantaged urban neighbourhoods using a multi-sectoral ‘integrated’ approach. These policies are known collectively as ‘politique de la ville’ (see Box 2), and Saint-Étienne became a target and beneficiary of many of them.

On the economic front, François Mitterrand’s socialist government broke with its interventionist dirigiste policy and embarked on a programme of liberal reform and decentralisation, beginning with the so-called ‘policy of economic rigour’ (politique de rigueur) which adopted a more pragmatic stance on industrial decline, cut aid to declining firms, and focused investment instead on economic restructuring. The first period of reform in Saint-Étienne focused on employment and economic development; the second focused on increasing the city’s residential attractiveness. Later on, improved political cooperation between the municipalities in the metropolitan area enhanced the city’s capacity to plan coherently for its future, although this collaborative approach is still being developed.

1983 marked a political turning-point for Saint-Étienne, with the election of a new centre-right municipal government headed by a mayor, François Dubanchet, who was to remain in office until 1994. The ousting of the municipality’s communist administration in 1983 was matched by the changes in national government policy, ushering in a new era of recovery strategies that, in the long term, seem to have proven more successful than the old industrial protection policy.

---

3 By the turn of the 1980s, France was said to be the only European country to have a truly national integrative approach to tackling urban issues (Leroy, 1990).
Box 2: Key dates in France’s renewed focus on urban issues (*politique de la ville*)

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-75</td>
<td>Peripheral <em>grands ensembles</em> housing estates start to depopulate; social problems begin</td>
</tr>
<tr>
<td>1977</td>
<td><em>Habitat et Vie Sociale</em>: rescue programme targeting <em>grands ensembles</em>, investing in both physical and social (but ultimately focused on physical rehabilitation)</td>
</tr>
<tr>
<td>1982</td>
<td>The Deferre Decentralisation Laws (see Box 3) shift power from national to local level, while creating the new administrative tier: the Region.</td>
</tr>
<tr>
<td>1981</td>
<td>Urban riots spur broad social reform; sparks the creation of <em>politique de développement social des quartiers</em> policies to address social and physical disintegration in urban areas</td>
</tr>
<tr>
<td>1982-83</td>
<td>Founding of the National Commission for the Social Development of Neighbourhoods, and its <em>Développement Sociale des Quartiers (DSQ)</em> programme: projects work in 148 neighbourhoods to tackle a wide range of problems at local level (eg. education, local economic development, public order, housing, justice) using an integrated approach involving local partnerships and resident participation; funded by national government, the new Regions, municipalities, and housing &amp; social agencies; led by the local mayor.</td>
</tr>
<tr>
<td>1988</td>
<td>Founding of the <em>Délégation Interministérielle à la Ville</em> (Interministerial Delegation for Cities) to amalgamate the National Commission (above) and the 18 ministries involved in tackling urban and social issues, while combining their funding programmes into a single pot. Targets a total of 480 neighbourhoods</td>
</tr>
<tr>
<td>1990-99</td>
<td><em>Contrats de Ville</em> (City Contracts): Five-year ‘contracts’ between national and municipal government for urban development programmes that integrate social and economic action, now targeting the wider urban agglomeration</td>
</tr>
<tr>
<td>1990</td>
<td>Further urban riots erupt across France</td>
</tr>
<tr>
<td>1990</td>
<td>The <em>Ministère de la Ville</em> (Ministry for Cities) is created to work against ‘exclusion’ of all kinds, by developing a strategy to target physical, social, economic and educational issues in an integrated way</td>
</tr>
<tr>
<td>1990</td>
<td><em>Grands Projets Urbains (GPU)</em> (Major Urban Projects): largely physical projects targeting 14 particularly deprived urban neighbourhoods, aiming for a thorough restructuring of the estates</td>
</tr>
<tr>
<td>1992</td>
<td>The Law for the Territorial Administration of the Republic encourages municipalities in metropolitan areas to form intermunicipal cooperative bodies known as ‘communities’</td>
</tr>
<tr>
<td>1996-01</td>
<td><em>Pacte de Relance pour la Ville</em> (Pact to Relaunch Cities): 5-year programme emphasising economic development as part of the City Contracts, and creating ‘priority zones’ in deprived neighbourhoods including 750 low-tax <em>Zones Urbaines Sensibles (ZUS)</em> (Fragile Urban Zones), 350 low-tax <em>Zones de Redynamisation Urbaine (ZRU)</em> (Urban Redynamization Zones), and 44 tax-free <em>Zones Franches Urbaines (ZFU)</em>, where businesses benefit from tax exemptions when 30% of their workforce is drawn from the local neighbourhood</td>
</tr>
<tr>
<td>1999</td>
<td>The Chevènement Law encourages intermunicipal cooperation and devolves responsibility for key policy areas, including <em>politique de la ville</em>, to the intermunicipal community bodies (see Box 4)</td>
</tr>
<tr>
<td>2000</td>
<td>The Law for Solidarity and Urban Renewal (<em>SRU</em>) develops strategic, integrated local management of urban regeneration; stipulates that every town with over 5,000 residents must provide at least 20% social housing; institutes a 10-year city-region planning document, the <em>Schéma de Cohérence Territoriale (SCoT)</em></td>
</tr>
<tr>
<td>2000-6</td>
<td><em>Contrats de Ville</em> (City Contracts) extended for 7 years, now covering 1,300 neighbourhoods (6m residents, 10% of the French population) and focused at metropolitan level. Now the sole envelope for urban policy</td>
</tr>
<tr>
<td>2000</td>
<td><em>Grands Projets de Ville (GPV)</em> (Major City Projects): next phase of the <em>GPUs</em> (Major Urban Projects), now targeting 50 urban neighbourhoods with increased funding, within the <em>Contrat de Ville</em> framework</td>
</tr>
<tr>
<td>2003</td>
<td>The Borloo Law refocuses <em>politique de la ville</em> on the level of the neighbourhood and aims for a complete restructuring using demolition and mixed-use rebuild to “wipe out urban ghettos”. Launches a 5-year renewal programme focused on 751 ZUSs which subsumes the GPV programme, and creates the <em>Agence Nationale de Rénovation Urbaine (ANRU)</em>, a central agency with a single pot regeneration fund for implementing the programme, with projects (proposed by local government) in 530 neighbourhoods and focused on social housing</td>
</tr>
<tr>
<td>2005</td>
<td>Urban riots erupt again across France</td>
</tr>
</tbody>
</table>

Sources: Mangen, 2002; Power, 1994; EUKN, 2007; CIC, 2007
3.1 Action on employment and economic development: 1983 to 1999

The new municipal strategy was two-pronged, focusing on real estate and employment.

A new ‘property policy’ to promote enterprise

The first prong was a property-based policy, indirectly encouraged by new national decentralisation legislation, amely the Defferre Decentralisation Laws of 1982-83. Box 3 explains Saint-Étienne’s resulting focus on real estate as a means of attracting potential investors, which was spurred by this legislation.

Saint-Étienne’s municipal property policy involved the public provision of cheap office premises as an incentive to attract new firms to the area, and anchor existing ones. This was to be achieved through the acquisition and rehabilitation of industrial brownfield sites in and around the city, creating new offices, business parks and industrial zones. The idea was that the provision of suitable operating locations would attract businesses to the city and keep them there. The policy was implemented using State aid4 and European Union structural funds; the city was heavily indebted as a result of the previous administration’s policy of financial aid to major firms.5

Box 3: The Defferre Decentralisation Laws of 1982-83 & Saint-Étienne’s fixation on real estate

The Defferre decentralisation laws, introduced by the minister of the interior and mayor of Marseille Gaston Defferre in 1982, broadened the areas of jurisdiction France’s municipalities.

The Defferre laws aimed to take power away from the préfet (the State’s representative in every French municipality) and give elected municipal authorities more control over local decisions.

These new laws effectively encouraged municipalities to compete with each other and adopt short-termist economic policies, based around real estate incentives. This happened for three reasons:

1. France’s administrative landscape is fragmented into over 36,000 individual municipalities. Each major city’s municipality is surrounded by a constellation of much smaller municipalities which make up the functional economic area of the city. The Defferre laws failed to federate these municipalities, or provide incentives for them to work together.

2. The Defferre laws also failed to reform France’s archaic system of local taxation. Local businesses contribute over 50% of municipal tax receipts. Municipalities are free to set their own rate of corporate tax. Fiscal logic, then, made attracting enterprises the top economic priority for municipal authorities. This led to fierce competition for businesses between neighbouring municipalities.

3. The Defferre laws provided a loophole which municipalities could use as an incentive for attracting businesses: although they prohibited direct aid to business, they allowed municipal authorities to underprice real estate transactions with private enterprises.

In this way long-term, city-wide development strategies were subordinated to short-term strategies to attract enterprises, using under-priced real estate as the incentive.

This approach was particularly favoured in Saint-Étienne, with its over-supply of real estate and high demand for jobs. The municipality therefore adopted the real estate strategy as its main economic development policy.

During Mayor Dubanchet’s first term in office (1983-89) the city launched some 600 real estate ventures, a public investment of over 1 billion francs. During the 1990s, the Chambre Régionale de Commerce (Regional Chamber of Commerce) recorded 130 municipal lease-management contracts for a total of 870 million francs. Saint-Étienne officials admitted to regularly offering land and facilities to private investors at 20% below cost.

Sources: Gilbert and Guingant, 1992; Le Galès, 2003; Levy, 1999

---

4 Including a sizeable loan from the national Caisse des Dépôts et Consignations, a State-owned bank.

5 Even by 1995, the city was the ninth most heavily indebted of all French cities; its debt burden stood at 14,182 francs per inhabitant, while the national average was 8,637 (‘Audit des Cent Premières Villes de France’, Les Echos, 7th June 1995, quoted in Levy, 1999, p 339).
To further increase the city’s attractiveness as a business location during the 1980s, the Dubanchet administration appealed repeatedly to the State for funds for regeneration projects such as new museums, a golf club, and the renovation of homes and commercial premises.

Employment-related policies
The second prong of the plan offered support for small businesses in the form of grants and loans for the creation and development of new and existing businesses. It also promoted training programmes to develop skills among the unemployed and improve the skills of existing workers. This SME-focused employment strategy, pursued in this way and supported by numerous state-formulated initiatives, was to remain the municipality’s principal economic recovery strategy until the late 1990s. The national programme of investment in research centres also enhanced the already significant *Grandes Écoles* and the local university, lending further support to local business (Levy, 1999).

In spite of a focus on local initiatives and the strong push towards decentralisation by the State, the national government remained heavily involved in Saint-Étienne (largely at the city’s own request), limiting local capacity to tackle local problems collectively at ground level. In other French cities, the withdrawal of the State following Mittrérand’s decentralisation policies cleared space on the local stage for private-sector actors, who collaborated increasingly with local government. This new local partnership approach has been slower to emerge in Saint-Étienne.

### 3.2 Political and Institutional Changes

Each municipality in the metropolitan area set their own business tax rate and this generated the greatest share of municipal income, fuelling frenzied competition for businesses between the municipalities. This rivalry prevented the formulation of a coherent economic development strategy, and hampered constructive debate on the right strategic approach for the metropolitan area.

**Unification of metropolitan municipalities into single intermunicipal body: 1995**

In 1992, the French government introduced a piece of legislation (the ‘Law for the Territorial Administration of the Republic’ or ATR Law) to encourage municipalities in metropolitan areas to consolidate their local plans into intermunicipal cooperative bodies known as Communities, using a 20 million franc incentive subsidy.

In 1994, the city was appointed a new centre-right mayor, Michel Thiollière, in the context of a political scandal over water prices which forced Dubanchet’s resignation; he was then officially elected as mayor in 1995. Thiollière made it a priority to build a coalition between the municipalities in Saint-Étienne’s metropolitan area in response to the new legislation, a difficult task given the climate of competition that prevailed. He managed to convince 21 of the municipalities neighbouring Saint-Étienne to form a Community of Municipalities (*communauté de communes*), overseen by its own management body Saint-Étienne Métropole, a public body.
for intermunicipal cooperation (établissement public de coopération intercommunale or EPCI). Saint-Étienne Métropole was able to take charge of certain responsibilities within the remits of economic development and urban planning. However the new body could do little to foster cooperation, given that individual municipalities were unwilling to pool their local business tax and the 1992 law had not given joint decision-making institutions any direct powers (Levy, 1999).

Intermunicipal body grows and gains fiscal freedoms: 2000

In 1999, France’s interior minister Jean-Pierre Chevènement introduced a new piece of legislation to simplify the operation of the country’s intermunicipal bodies (the ‘Law for the Reinforcement and Simplification of Intermunicipal Cooperation’, or Chevènement Law). The Chevènement Law sought to encourage the development of more and larger intermunicipal bodies by offering fiscal incentives proportional to the number of municipalities uniting, while allowing each intermunicipal body a degree of fiscal autonomy (see Box 4).

Box 4: The Chevènement Law for intermunicipal cooperation, 1999

Whereas previous efforts at decentralisation in France have had mixed results, the Chevènement Law for the Reinforcement and Simplification of Intermunicipal Cooperation successfully encouraged more municipalities to join forces by providing the right incentives.

The basic objectives of the Chevènement Law were to:
- discourage local tax competition
- ensure a fairer distribution of resources
- promote appropriate structures for tackling the organisational weakness of the municipal structure

More specifically, it set out to:
- simplify both the existing forms of and rules governing intermunicipal cooperation (three forms of intermunicipal entity replaced the previous seven)
- achieve the harmonisation of business tax rates of all municipalities across an agglomeration, by giving intermunicipal management bodies (EPCIs) 10 years to harmonise their business tax rates
- promote more widespread intermunicipal cooperation through stronger fiscal incentives: State subsidies awarded to intermunicipal bodies were henceforth in direct proportion to the number of communes involved, thereby encouraging the widest possible collaboration
- develop local democracy by, for example, instituting the creation of an independent Development Council (Conseil de Développement) to advise the intermunicipal management body

The group of municipalities forms its own management body (EPCI) with its own tax revenue and its own policy competences (4 obligatory, 3 or more optional), which takes charge of certain key local policy areas such as economic development and urban planning (see Box 5 for a list of Saint-Étienne’s EPCIs’s competences).

It should be noted that the administration of the intermunicipal management bodies is not directly elected, but delegated by municipal councils.

The Chevènement Law majority of French municipalities have now formed such intermunicipal consortia: over 90% of the 36,571 municipalities in metropolitan France were part of an intermunicipal consortium by 2006.

The intermunicipality (intercommunalité) constitutes a 4th tier of government in France, alongside the municipality, the Region, the Department and the national government.

Sources: Raymond & Cole, 2006; Jamet, 2007

---

6 In French law, the EPCI has the statute of a public corporation. It is not a fully constituted local authority, such as a municipality (commune), Department or Region, but it has an independent executive and certain tax-raising powers (Raymond & Cole 2006).
In 2000, 43 municipalities in the Saint-Étienne metropolitan area united to form a larger intermunicipal body known as an Agglomeration Community (communauté d’agglomération) totalling 390,000 residents – largely in response to the fiscal incentives offered by the Chevènement Law. The mayor of Saint-Étienne became the President of this important new body. As an Agglomeration Community, the municipalities in the urban area could now unite and manage the whole urban area collectively. Further key responsibilities, including economic development, housing and transport, are now devolved to the Agglomeration Community's management body, Saint-Étienne Métropole (see Box 5). Saint-Étienne Métropole also has increased resources to finance its work, including a harmonised business tax from each municipality (see Box 6).

Box 5: Policy competences within which key responsibilities were devolved to the Agglomeration Community’s management body, Saint-Étienne Métropole in 2000

1. Urban planning
2. Economic development
3. Integrated neighbourhood renewal (politique de la ville)
4. Housing projects (équilibre de l’habitat)
5. Public road system
6. Environment and quality of life
7. Cultural and sporting infrastructure projects
8. Agricultural development
9. Sustainable development
10. Tourism
11. Developing a common identity for the Agglomeration Community around the notion of ‘design’
12. Protecting and enhancing the natural environment
13. Developing new higher education policies
14. Support for sporting and cultural events of national and international importance
15. Information and Communication Technology
16. Signing agreements with other intermunicipal bodies or public establishments

Source: Saint-Étienne Métropole, 2004

Note: The Chevènement Law states that an Agglomeration Community must take on four obligatory competences (see 1-4 above), at least 3 optional competences (see 5-7), and some additional facultative competences (see 8-16). For more details, visit www.agglo-st-etienne.fr/comprendre/missions/competences.htm

---

7 The subsidies awarded were what made the unification project worthwhile for each municipality, which was otherwise losing a degree of control over its own affairs. Without this fiscal incentive, local actors agree that the unification idea would have been rejected by the majority of Saint-Étienne’s neighbouring municipalities.
The harmonisation of the business tax across all municipalities in the Agglomeration Community, a condition of the Chevènement Law, has helped create a more cooperative atmosphere between the 43 municipalities. The competitive ‘business-poaching’ mentality will take some time to fade, but the change has laid the groundwork for a more collective and forward-thinking development strategy. This political change has had wider implications for Saint-Étienne itself. Indeed, the formation of the Agglomeration Community was to prove the key enabling factor for the next phase in the city’s recovery strategy, pioneered by the mayor and focused primarily not on economic development, but on making the city an attractive place to live.

3.3 Action on Residential Appeal: 2000 to present

A specific ‘shock event’ jolted local actors into universal recognition that a further change in strategy was necessary. This came in the form of the 1999 census results, which revealed that the city had lost 20% of its population (25,000 inhabitants) in just two decades (INSEE 2006). This statistic forced the realisation that the current, largely employment-oriented recovery strategy was clearly failing to stem population loss. On top of this, the census data revealed that many of the out-movers were highly-skilled executives, often with families (INSEE 2006). Suburban extensions and sprawl were becoming major problems. This left the city with high concentrations of poverty and unemployment (Ville de Saint Étienne, 2005, p 4). The central plank of the new strategy would be to increase the residential appeal of Saint-Étienne in order to attract middle-class professional families back to the city.

Developing the strategy

The city’s mayor Michel Thiollière, a native ‘stéphanois’, developed a clear vision of the city that Saint-Étienne should become and the strategy it needed to get there. Recognising that the professional population he was trying to attract were well-off and had plenty of choices as to where to live and work, he felt that Saint-Étienne would have to create a strong ‘residential offer’. The most pressing task became providing attractive housing, set in a pleasant urban environment providing a high quality of life with plenty of well cared-for public spaces and leisure options. Knowing that Saint-Étienne was saddled with a reputation as a grey, unfashionable working-class city, the mayor focused on several major culture-related physical regeneration projects. He

---

8 Between the 1990 and 1999 census, the city lost almost 20,000 residents; 6,000 of these out-movers were skilled professionals, and the city lost 23% of its family households (defined as a co-habiting couple with children) (INSEE, 2006).
hoped they would become ‘lighthouse’ symbols of the city’s new image as an avant-garde cultural metropolis, and therefore needed to be of the highest quality. The city needed to differentiate itself from other cities with similar attributes, and develop its own distinctive image. Based on Saint-Étienne’s history of creating products ranging from bicycles and armaments to lace (which had already given rise to the renowned School of Fine Art and its successful Design Biennale event which brings many world-renowned designers to the city), the mayor settled on ‘design’ as the theme that would link the various recovery projects and become a byword for the city. The concept of design, it was felt, encapsulated Saint-Étienne’s industrial and craft heritage and the skill base it could deploy for in future projects that quite literally link past industrial losses with potential gains.

Financing the strategy
It was immediately clear that the city alone lacked the resources to implement this ambitious strategy. It would be done through the creation of strategic local and national alliances; convincing neighbouring municipalities that they would benefit economically by joining forces with Saint-Étienne; and interesting the State in helping the city by linking it to the national competitiveness policies, and by arguing that compensatory support based on the immense historic contribution of the city to the country’s wealth was justified. The mayor became a key local actor, deploying his coalition-building skills, long-term vision and necessary political mandate.

Local support
Being the city at the centre of a 43-municipality federation increased Saint-Étienne’s political weight. Thanks to the formation of the Agglomeration Community in 2000, major new resources were made available through financial contributions from all the member municipalities and from the State (see Box 6). The State also helped to fund the Agglomeration Community’s projects related to economic development, transport investment and regeneration.

National support
Having secured local support for the residential appeal strategy, and with his status on the national political stage boosted by his appointment as senator for the Loire Region, the mayor appealed for national-level support. He developed a case resting on two strong arguments, the economic argument and the solidarity argument, which he knew would strike a chord with French government ministers.

On the economic front, the French government seeks to develop Lyon as a national economic hub; it was argued that a burgeoning Saint-Étienne in its orbit would contribute to Lyon’s success, and a struggling Saint-Étienne would create a socio-economic drag that may become Lyon’s Achilles heel. As one of the city’s official documents puts it:

“The success of the metropolitan region (Lyon-Saint Étienne) and its influence at the European level depend on the city of Saint-Étienne recovering its urban dynamism. ... This can no longer be achieved solely by means of the job creation policy [which must now be accompanied by] a vigorous and

---

9 To ensure this, the mayor has insisted that the city work with internationally renowned architects for the development of its flagship physical renewal projects; the list of architects involved currently includes Norman Foster (Zénith concert stadium), Finn Geipel (Design Village) and Fumihiko Maki (part of the Châteauroux business district).
determined strategy to regenerate the city as a whole, in its function as a centre as well as in its housing.”

(Ville de Saint-Étienne, 2005, pp 5-6)

On the solidarity front, it was argued that Saint-Étienne had made a major contribution to the French economy during her industrial heyday and now that the city is struggling, France has a duty to show solidarity with Saint-Étienne and support her recovery programme.

The State responded positively, signing several major new funding agreements and, more recently, creating a dedicated city regeneration agency to fast-track the regeneration of five strategic sites (see Box 7).

Box 7: Recovery timeline

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>1983</td>
<td>Centre-right mayor Dubanchet takes over from Communist administration.</td>
</tr>
<tr>
<td>1992</td>
<td>Urban Master Plan to regenerate the city centre (coordinated by architect Ricardo Boffil)</td>
</tr>
<tr>
<td>1994</td>
<td>Centre-right Thiollière becomes mayor</td>
</tr>
<tr>
<td>1995</td>
<td>Community of Communes created; first intermunicipal body</td>
</tr>
<tr>
<td>1997</td>
<td>Programme to redesign 100 public spaces with the help of local art &amp; architecture students</td>
</tr>
<tr>
<td>1998</td>
<td>Public land-recycling agency EPORA founded</td>
</tr>
<tr>
<td>1998</td>
<td>First Design Biennale</td>
</tr>
<tr>
<td>1998</td>
<td>City plays host to several World Cup matches</td>
</tr>
<tr>
<td>2000</td>
<td>Community of Communes extended to become Agglomeration Community, containing 43 communes and with more powers; harmonisation of business tax</td>
</tr>
<tr>
<td>2000</td>
<td>Contrat de Ville (City Contract) signed, for a 6-year period</td>
</tr>
<tr>
<td>2001</td>
<td>Major City Project (GPV) agreement for housing renewal programme in 4 areas</td>
</tr>
<tr>
<td>2001</td>
<td>Mayor Thiollière re-elected with strong mandate; also elected senator of the Republic and president of the Agglomeration Community</td>
</tr>
<tr>
<td>2003</td>
<td>City creates an urban renewal directorate to ensure harmonisation with the housing renewal programme</td>
</tr>
<tr>
<td>2004</td>
<td>Start of a series of major renewal projects that will see €1 billion invested over 5 years</td>
</tr>
<tr>
<td>2005</td>
<td>National Agency for Urban Renovation (ANRU) agreement, expanding the GPV housing projects into area-based regeneration projects in 4 areas. Total budget: ~ €300 million</td>
</tr>
<tr>
<td>2006</td>
<td>Second tram line opens</td>
</tr>
<tr>
<td>2007</td>
<td>EPASE city regeneration agency created</td>
</tr>
<tr>
<td>2007</td>
<td>Urban and Social Cohesion Contract (CUCS) signed, for a 6-year period</td>
</tr>
</tbody>
</table>

Box 8: Flagship recovery projects

- Housing investment programme in 4 low-income neighbourhoods, administered by the ANRU (formerly GPV) neighbourhood renewal programme, and part of the city’s extended Contrat de Ville agreement (~€300m)
- 2nd tram line (~€75m)
- The Zénith, a 7,200-seater concert arena (~€32m)
- Design Village cluster site (~€31m)
- Optics/Vision cluster site (~€35m)
- Châteaucreux business district, featuring the new headquarters of the Casino supermarket group
Key elements of the residential appeal strategy

Developing links with Lyon

Since 2000, there has been growing local recognition that the success of Saint-Étienne’s residential appeal strategy rests largely on its relationship with Lyon, a major economic hub just 60 kilometres away, and with which Saint-Étienne has traditionally had a competitive relationship. Saint-Étienne began attempts to initiate dialogue in 2000, and cooperation between the Agglomeration Community and Lyon’s much larger Urban Community of 1.3 million inhabitants has been slowly increasing (UJM 2007). The hope is that closer links with Lyon will encourage more of its households and businesses to take advantage of Saint-Étienne’s cheaper property (about half the price of Lyon’s per m²).10

Improving connectivity between Lyon and Saint-Étienne is a critical element of this policy. Regional and national authorities have cooperated to increase the frequency of inter-city train services to every 20 minutes (current journey time is just under one hour), and to regenerate the stations at both ends of the route. The current motorway link is heavily congested, and plans for a new motorway link (the A45) are also being debated, although this is a much more contested proposition.

Housing renewal

Saint-Étienne’s housing renewal programme is the key component of the city’s residential appeal strategy. The city suffers from a poor quality of housing stock, not only in the peripheral grands ensembles estates but also in the inner city, where private rents are lower than social housing rents due to the very poor conditions.11 The lack of decent housing was a major factor fuelling the flight of more middle-class households to the suburbs, accelerating sprawl development. By 1999, vacancy rates in the city had increased to over 11% (see Fig. 12). There was a strong case for major investment to improve the housing stock across the city.

The cornerstone of this activity is an ambitious State-funded urban renewal (rénovation urbaine) effort involving the comprehensive area-based regeneration of four deprived neighbourhoods, two in the city-centre and two on the periphery (see Figs. 13, 14 and 15). In 2001, the city won bids for these four low-income neighbourhoods to be included in the national housing regeneration programme, the Grand Projet de Ville (Major City Project) (see Box 2). As the State began to engage in Saint-Étienne’s residential appeal strategy at the request of the mayor, this programme was taken over in 2005, with significantly increased investment, by the newly-formed National Agency for Urban Renovation (Agence Nationale de Rénovation Urbaine or ANRU) (see Box 2). The National Agency for Urban Renovation was established to simplify the complex national funding arrangements for housing-related regeneration, and coordinate targeted neighbourhood-level interventions for the most critical

10 Particularly as property prices in Lyon continue to increase. In July 2007, estate agents quoted the average price per m² for an apartment as €3,310 in Lyon, and €1,750 (Se Loger, 2007).

11 One local official cited the rents in the city-centre neighbourhood of Tarentaise being as low as €100 per month, for a small flat with no running water or amenities.
cases – including Saint-Étienne. The original investment has tripled to approximately €300 million.¹² By 2011
the ANRU housing renewal programme aims to:

- Build or renovate 1,300 dwellings (700 social rented and 450 private)
- Demolish 1,070 dwellings (600 social rented)
- Re-house 750 households

(Mairie de Saint-Étienne, 2006)

Figure 12: Total vs. vacant dwellings and percentage vacancy, Saint-Étienne municipality

Although the focus of the programme will be on housing, the extra funding means more will be spent on
upgrading the public realm and infrastructure (such as schools and sports facilities) in each of the four
neighbourhoods. A small amount is reserved for community support and social development programmes.

¹² As is usually the case with this agreement, while the State will provide the bulk of the funding, the Region, Department, Agglomeration
Community and the municipality itself will each contribute to the funding pot.
Figure 13: Map of the 4 low-income housing neighbourhoods being regenerated as part of the ANRU programme

Source: Ville de Saint-Étienne
In addition to the targeted programmes, the municipality is integrating new housing developments into several of the business and cluster districts it is creating throughout the city as part of its economic development initiative (see below). Most new dwellings will be apartments, destined for the private market (see Figs. 16 and 17).

**Quality of life**

The city is running its own programme focused on upgrading public spaces to complement the ANRU housing renewal programme. Large scale projects have already transformed the city’s major central squares. Sensitive re-landscaping and ‘greening’ initiatives across the city, alongside the increasing pedestrianisation of central zones and the gradual introduction of bicycle lanes, are creating a more pleasant and attractive urban environment (see Fig. 18). The city has also run an innovative programme, the ‘Public Spaces Workshop’ (l’Atelier Espace Public) allowing young artists, architects and designers at its Schools of Fine Arts and
Architecture to help the city redesign 130 small public spaces across the city (see Fig. 19).\textsuperscript{13} This has attracted wide acclaim.

\textbf{Figure 18: Pedestrianised city square, new tram line} \hspace{1cm} \textbf{Figure 19: Placette Lebon, redesigned by local architecture student Laëtitia Belala}

The construction of a second tram line, now in operation, is another of the city’s flagship recovery projects. Its route complements other elements of the ‘residential appeal’ strategy, linking the main train station (which serves Lyon) to the town centre, and reducing car use in the city centre. Some of its €75 million budget was also spent on upgrading public spaces and façades along its route.

Another pillar of the strategy to improve quality of life and to attract new professional residents is the improvement of the local cultural and sporting provision, largely implemented through the construction of new infrastructure. Two major new music venues are being built on an ex-industrial brownfield zone alongside the Guichard sports stadium, home of the famous local football team. A new contemporary music centre (\textit{Salle de Musiques Actuelles} or SMAC), equipped with hi-tech studios and performance spaces, is seen as a way of helping develop the local music scene.

The Zénith, a 7,000-seat concert stadium designed by the architect Norman Foster (see Fig. 20), is another of Saint-Étienne’s flagship projects. The decision to embark on a project of this size and to engage a world-renowned architect for its design illustrates the use of ambitious, high-quality projects to promote a new post-industrial image for the city. Recognising the cultural value of architecture, Saint-Étienne Métropole has coordinated a €6 million restoration project to a site featuring four of Le Corbusier’s rare buildings in the nearby municipality of Firminy, to which it has contributed 25\% of the funding.\textsuperscript{14} This site is only ten minutes by train from Saint-Étienne.

\textsuperscript{13} Each project cost between €30,000 and €250,000 (Masboungi and de Gravelaine, 2005, p 30).

\textsuperscript{14} The remaining funding came from the European Union, the State, the Rhône-Alpes Region and the Loire Department.
The city is also working to develop and promote its museums as part of its cultural package. Its Museum of Modern Art houses France’s second largest collection of contemporary art and attracts around 80,000 visitors a year, while the popular Museum of Mining and Museum of Art and Industry attract similar numbers. To further promote itself as a cultural centre, Saint-Étienne has put itself forward as a candidate to become the European Union’s Capital of Culture in 2013. Simply being accepted as a candidate city will raise Saint-Étienne’s international profile, while further promoting its new cultural ethos. However, there is some disquiet at the fact that neighbouring Lyon has also bid.

**Cluster site creation**

The success of the city’s residential appeal policy still ultimately rests on the development of new economic activities. These new activities are being promoted through the provision of ‘cluster sites’, designed to encourage the co-location of research and enterprise.

Saint-Étienne still boasts several competitive industrial sectors which have attracted State support. The French government operates a national ‘cluster policy’ which aims to increase collaboration between university, public and private sector researchers and industry in competitive sectors (DIACT, 2006). Two of Saint-Étienne’s sectors have been selected for support: its mechanics cluster, ViaMéca, which employed 24,475 in 2003, representing 33% of local businesses and 40% of industrial jobs (Le Point, 2005); and its sports and leisure equipment cluster, Sports et Loisirs, involving 10-15,000 employees in the Rhône-Alpes Region (Les Echos, 2005). Local SMEs in the optics and textiles sectors are also involved with Grenoble’s Minalogic and Lyon’s Techtera nationally-supported clusters.

As a cross-cutting theme for Saint-Étienne’s physical regeneration and economic recovery, the notion of ‘design’ is intended to federate and build on the successful post-industrial activities already going on in the city. These include the city’s Design Biennale, organised by its School of Fine Arts, which drew over 170,000

---

15 The government currently supports 71 such clusters nationally, with approximately €500 million of funding annually, most of which is spent on collaborative research projects (DIACT, 2006).
international visitors to the city in 2006. The new Design Village is intended to be the emblem of this new artistic direction. Hugely symbolic of the city’s post-industry transition, it will be located on the site of the famous Imperial Arms Factory, whose buildings will be rehabilitated to house new artist studios and workshops alongside teaching and exhibition spaces (see Fig. 21). The city’s School of Fine Arts will be renamed the School of Design and Fine Arts, and will re-locate to the site in 2008. The Design Village’s location adjacent to the city centre, and the new housing alongside it, should bring a new mixed-use vitality to an 18-hectare site that previously represented Saint-Étienne’s industrial decline. This major project reflects some of the tensions between historic preservation and new uses. Its architect, the internationally acclaimed architect Finn Geipel, planned to demolish 15% of the Imperial Arms Factory buildings in the rehabilitation, but loud protest by local residents led to changes that would promote the city’s industrial heritage while offering an attractive historic restoration and redesign.

Figure 21: Design Village cluster site (architect’s impression)

An ‘Optics / Vision’ cluster site for research and enterprise in the optics sector has been developed at the edge of the Imperial Arms Factory site, adjacent to a still-functioning military optics workshop specializing in lenses for tanks. This project was pioneered by the local optics firm Thalès Angénieux, inventor of the zoom lens, in conjunction with the local university and the president of the Loire Department; it was then adopted by the Agglomeration Community. The cluster project builds on Saint-Étienne’s historic and growing specialisation in advanced optics, with several major optics research laboratories founded at its university since the 1970s. The cluster site project organized and largely funded the conversion of four hectares of the factory site into

---

16 This Includes the LTSI laboratory (founded in 1975), the DIOM laboratory (1991) and the LIGIV laboratory (1999).
research laboratories, space for teaching and an incubator building (see Fig. 22)\textsuperscript{17}. The new Optics/Vision site is expected to house 120 researchers and engineers – including many from private optics firms – alongside 900 students specializing in optics technology research. Its efforts to create regional links are demonstrated by recent agreements that the School of Optics (\textit{École Supérieure d’Optique}) in Orsay will open a new department in the site, and that the cluster will be renamed the ‘Rhône-Alpes Optics Cluster’ (\textit{Pôle Optique Rhône-Alpes}).

\textbf{Figure 22:} The new Optics/Vision cluster site

The Châteaucreux business services district project is built around an agreement between the municipality and the supermarket chain Casino, founded in Saint-Étienne a century ago, to locate the Casino headquarters in the city. The municipality offered Casino an attractive plot of brownfield land – prepared by the land recycling agency EPORA (see below) and sold to the company at a discounted rate – on which to build its headquarters. This site is conveniently and conspicuously located opposite the main train station (Châteaucreux) with its rail connections to Lyon, and with the new tram line providing a link to the city centre. The recently completed office development, which will house over 2,000 Casino employees in 40,000m\textsuperscript{2} of office space, is one of France’s largest office construction projects in recent years.

\textsuperscript{17} As usual, funding was contributed by public institutions at all levels: Saint-Étienne Métropole (€5m); the EU (€3.3m); the State (€3.57m); the Region (€3.2m); the Department (€0.5m); the municipality (€1.07m); and, unusually, the university itself (€0.08m) (Masboungi and de la Gravelaine, 2005, p 94).
On the basis of this anchor development, the city is planning to create its business services district, aiming to encourage other service sector businesses to cluster on this site. Its location adjacent to the main train station should make it attractive for companies wanting to re-locate from Lyon, where office rents are significantly higher. The new district, when complete, will cover 60 hectares, include 400 new homes, shops, a hotel and further office developments, including several of the city’s public sector departments.

The Loire Department’s decision to invest in laying 500km of fibre-optic cable, allowing high-speed broadband connections across Saint-Étienne’s urban region (Sud Loire), will be an important support to both the residential appeal and the cluster strategies (Epures, 2006b).

### 3.4 Tools for delivering the strategy

**EPORA land recycling agency**

In response to the closure of the Imperial Arms Factory in 1996, then run by State arms manufacturer GIAT Industries, the State founded a dedicated ‘land recycling agency’ known as the *Établissement Public Foncier de l’Ouest du Rhône-Alpes* (EPORA). Its purpose is to reclaim former industrial and urban brownfield sites in the heavily industrialized western Rhône-Alpes region, including Saint-Étienne. For a city with such a large number of physical regeneration projects, EPORA has provided a critical tool for subsidising and accelerating the release of Saint-Étienne’s brownfield sites for new development (see Box 9).

#### Box 9: The EPORA ‘land recycling agency’, founded in 1998

The *Établissment Public Foncier de l’Ouest de Rhône-Alpes* (EPORA) is an agency founded by the French State to ‘recycle’ industrial and urban sites in the western Rhône-Alpes region, which includes Saint-Étienne. 60% of its funding comes from the State, EU, local municipalities and a local tax.

It buys brownfield sites, carries out demolition and decontamination and/or rehabilitation, then sells the land back either to the local authority at 40% of cost, or to the private sector at cost (but with a discretionary discount of up to 40% of cost).

Between 1999 and 2006, EPORA spent €65 million (over 40% from the State and the European Union) on projects in the metropolitan area of Saint-Étienne.

Projects whose sites EPORA has prepared include:

- Optics/Vision cluster site (on the site of old Imperial Arms Factory)
- Design Village site (also on the Imperial Arms Factory site)
- Casino headquarters
- Zénith concert arena

According to local officials, EPORA has now ‘recycled’ the majority of Saint-Étienne’s large-scale brownfield sites.
The agency buys up brownfields, clears and decontaminates them, and prepares them for resale – mainly to the local authorities at 40% of cost, but in some cases directly to private investors, nominally at cost, but with discretionary discounts of up to 40%. As a region suffering from industrial decline, Saint-Étienne qualified for Objective 2 funding from the EU government in 1994, which has been instrumental in helping finance EPORA’s work.

Since its founding in 1998, EPORA has played a key role in the recovery process by fast-tracking the physical transformation and regeneration of Saint-Étienne, both improving the ‘look’ of the city by getting rid of derelict sites, and attracting companies back into the region through the provision of cleaned-up and attractively-priced sites on which they can build.18

EPASE city regeneration agency

In 2005, the French government responded to a request from Saint-Étienne to help accelerate delivery of the city’s regeneration projects, predicted to take 30 years, by creating a dedicated single-purpose public regeneration agency based in the city, the Établissement Public d’Aménagement de Saint-Étienne or EPASE (DATAR, 2005). The mayor, and other local politicians and municipal planners, argued that the exceptional scale of State investment in the city’s physical regeneration – €1 billion over the next five years – required a powerful agency to provide expertise alongside an advisory and coordinating role, as well as helping to plan the rapid delivery of existing and further strategic sites. Local experts stress that the EPASE is something the city asked for, not something the State imposed.

The EPASE agency, running with a skeleton staff since 2005 and officially launched in early 2007, will have a budget of almost €780 million over the next 15 years, and an operational remit covering almost 1,000 hectares. It will focus on five specific projects, for which it will have planning and delivery control and privileged land acquisition rights. These are:

1. the city centre, working with ANRU to upgrade the housing offer in two additional neighbourhoods of dilapidated private housing;
2. the Châteaureux business district, building offices and homes;
3. the Manufacture Imperiale d’Armes and Plaine Achille, the Design Village site and its linkage with an adjacent ‘entertainment zone’ area including the new Zénith;
4. the eastern gateway into the city and the Pont de l’Ane, creating mix of housing and other activities; and
5. the Couriot mines site, creating an urban park and linking it to the city’s eastern gateway.

(EPASE, 2007)

---

18 Between 1999 and 2006, EPORA spent more than €65 million on its operations in the metropolitan area of Saint-Étienne. Its annual turnover was €10m in its first operating year (1998), and it has now grown to over €30 million.
The EPASE promises to bring many benefits to the regeneration process (see Box 10). The important question will be how well it fits with, and works with, the existing structures.

**Box 10: The EPASE regeneration agency, founded in 2007**

As a dedicated regeneration agency, the EPASE will both plan and deliver the regeneration of 5 key sites in Saint-Étienne. It will have full control over all stages of the process, although it will consult with actors at all political levels (municipality, agglomeration community, department, region, ministries) throughout.

The EPASE will coordinate private sector tenders for the planning and implementation of each project. It will have:

- Increased planning powers; construction permits are transferred from municipalities to the EPASE. This both helps accelerate the regeneration process, and confers stability to a process that may otherwise be interrupted by political changes at municipal level.
- A budget of €120m for its first five years of operation (2007-2013). This level of resources means it can bring in top regeneration experts from outside the city, whose experience will add value, as well as professionalising and the relationships with investors and depoliticising the regeneration process. The extra resources will also improve the quality of the projects.
- A timeframe of 15 years, meaning it can develop long-term strategies. It can also afford to wait until the right investor comes along, rather than jumping at the first offer (the traditional response of a city accustomed to being in ‘crisis mode’).

The EPASE has used its strategic clout to bring actors together more informally than is usual in a country where bureaucracy, hierarchies and formal contracts determine public sector relations. It has brought together the directors of seven major institutions linked to the regeneration process, all key decision-makers to form a group known locally as the ‘G7’ (see Box 11). Those involved describe the G7 meetings, held every three weeks, as the rare occasions on which public actors take off their institutional hats and share different perspectives on the regeneration strategy openly and honestly. They identify the informal nature of these meetings as the main advantage, allowing members to discuss issues regarding strategies and implementation as they arise. Such regular and frank communication between institutional leaders is very unusual, and the G7 stands out as a conspicuous example of cross-sectoral cooperation.

**Box 11: Key bodies and projects represented in the G7 working group**

1. urban planning agency Epures
2. ANRU/GPV housing renewal programme
3. Agglomeration Community
4. municipality’s Urbanism Directorate
5. Infrastructure Department of the Loire Region
6. EPORA land recycling agency
7. School of Architecture
8. EPASE
4. WHAT HAS CHANGED: SIGNS OF RECOVERY?

It is still too early to gauge the effects of Mayor Thiollière’s residential appeal strategy, the public spaces investment, the ‘cluster’ approach to new businesses and the new political linkages. But the look and feel of France’s archetypal industrial city centre has changed remarkably in the last few years alone, with previously congested and grimy squares across the city being transformed into vibrant pedestrianised meeting-places thronged with people, featuring children’s playgrounds and lush green spaces, and attracting families. In terms of flagship projects the new tram line is up, running smoothly and popular with locals; the Châteaucreux train station has been given an attractive facelift; the Casino headquarters building is complete; and many of the major physical projects, such as the Zénith concert arena and the Design City, are fast taking shape.

Looking beneath these highly visible changes, it would seem that certain elements of the strategy are bearing fruit, but other issues that may hamper its success are yet to be tackled.

4.1 Property and house prices

Local house prices have risen steeply over the last two years alone, from an average of €1570 per m$^2$ in mid-2005, to €1730 per m$^2$ in mid-2007 (Se Loger, 2007). For a city aiming to increase its residential appeal, this is seen as a promising indicator. Prices in Lyon (still double Saint-Étienne’s, at an average of €3,310 per m$^2$; Se Loger, 2007) are starting to push more businesses and households outwards in search of cheaper alternatives, although many are settling in the valleys between the two cities rather than in Saint-Étienne itself.

The suburban elderly seem keen to return to the city; 52 of the 76 new high-quality, three-bedroom flats on the Design Village site were sold off in a single weekend recently, mostly to older couples living in the hills around Saint-Étienne. As part of a large converted industrial site with major infrastructure works still in progress, the flats were unlikely to appeal to young families, an earlier hope. But the fact that the new flats fetched a far higher price than was expected has confirmed what city officials had hoped – that high-quality new homes in the city-centre would attract buyers. It also reaffirms a wider trend towards city living and against sprawl, to counter the strong suburbanisation that has affected Saint-Étienne since the 1970s (Epures, 2006). Reassured by examples such as this and by the State’s long-term commitment to the city, major housebuilders, including Nexity, who built the Design Village apartments, now see Saint-Étienne as an exciting investment opportunity (L’Express, 2007).

4.2 Inward investment and economic development

Inward investment has begun to trickle back into the city since 2003. The decision of the Casino nationwide supermarket chain to locate its new headquarters in the city is an oft-quoted example of this, as is Ikea’s decision to open a store on the outskirts of the city in 2005, creating 300 jobs. The list of recent inward
investors shows that the city is attracting international companies in the vehicle components and optics sectors, alongside activities which add lower rates of value such as call centres (see Fig. 23). Local business people have commented that this increased interest in the city has been catalysed by the mayor’s strong marketing efforts and determination to convey the message that Saint-Étienne is ‘on the move’.

Figure 23: Recent inward investment and job creation, Saint-Étienne municipality

<table>
<thead>
<tr>
<th>Company</th>
<th>Origin</th>
<th>Activity</th>
<th>Jobs Created</th>
</tr>
</thead>
<tbody>
<tr>
<td>IKEA</td>
<td>Sweden</td>
<td>Home furnishings</td>
<td>300</td>
</tr>
<tr>
<td>CHEQUE EMPLOIS SERVICES</td>
<td>Saint-Etienne</td>
<td>Care-related services (<em>services à la personne</em>)</td>
<td>300</td>
</tr>
<tr>
<td>CARREFOUR Client Services</td>
<td>Paris</td>
<td>Call centre</td>
<td>214</td>
</tr>
<tr>
<td>CARLSON WAGON LITS</td>
<td>Paris</td>
<td>Call centre</td>
<td>180</td>
</tr>
<tr>
<td>SEAC</td>
<td>Japan</td>
<td>Automobile components</td>
<td>170</td>
</tr>
<tr>
<td>AXLETECH</td>
<td>USA</td>
<td>Components for off-road vehicles</td>
<td>100</td>
</tr>
<tr>
<td>JDSU (ex Acterna)</td>
<td>Canada and USA</td>
<td>Broadband test and measurement solutions and optical products</td>
<td>20</td>
</tr>
</tbody>
</table>

Source: Saint-Étienne Métropole (January 2007)

Saint-Étienne’s economic landscape, and indeed that of the whole South Loire urban region (510,000 residents) is still characterised by many SMEs, most of which are individual sub-contractors dependent on much larger firms for their orders (see Fig. 24). Not enough is known about SMEs in the region, and given their importance to the local economy, a diagnostic study would be useful in terms of planning a strategy to build on their expertise and help them adapt and modernise (UJM, 2006).

Figure 24: A mechanics sub-contractors’ workshop in the city-centre Crêt de Roc neighbourhood; they are making machine components for major firms including Peugeot
Private spending on research and development is low in the region; the Loire ranked 37th of 46 Departments in spending terms in 2001. Knowledge workers are under-represented, and there are too few links between local universities, SMEs and business (Chalaye, 2006). As innovation becomes increasingly reliant on collaboration, more must be done to foster these links – not only locally, but with other nearby knowledge hubs such as Lyon and Grenoble. Saint-Étienne currently has 22,000 students in higher education, and student numbers at its nationally renowned specialist universities (Grandes Écoles), such as the School of Mines and the School of Engineers, are growing rapidly; however, the generalist University of Saint-Étienne (Epures, 2006) lost 15% of its students between 1996 and 2002 (INSEE Rhône-Alpes, 2006).

The total number of jobs in the city recovered from a drop during the mid-1990s, although it has dipped again slightly since 2002. Figure 25 shows that while industrial jobs continue to decline across the urban region, the service sector is growing.

**Figure 25: Sectoral changes in private sector employment, Saint-Étienne urban region**

However, the growth of service jobs in the city has levelled off since 2001, and most of these jobs are in low-level as opposed to highly-skilled services. With not enough new service jobs developing to plug the gap left by industrial job losses, total job figures have dipped, as Figure 26 shows. Meanwhile unemployment in the city’s travel-to-work area (96 municipalities, 480,000 residents) is up by 1% in the five years since 2001, compared to a national increase of just 0.3% over this period, as Figure 27 shows. Unemployment worries still dominate local thinking.
Figure 26: Private sector employment, Saint-Étienne municipality

![Graph showing private sector employment in Saint-Étienne municipality from 1979 to 2005. The graph includes categories such as total jobs, services (excl. part-time), industry, retail, construction, and part-time work. Sources: ASSEDIC, Saint-Etienne Métropole. Notes: ASSEDIC only records salaried employment, excluding self-employed workers. Data intervals are not calibrated.]

Sources: ASSEDIC, Saint-Etienne Métropole
Notes: ASSEDIC only records salaried employment, excluding self-employed workers. Data intervals are not calibrated.

Figure 27: Unemployment rates, Saint-Étienne travel-to-work area and France

![Graph showing unemployment rates from 2001 to 2006 for Saint-Étienne travel-to-work area and France. The graph includes data points for each year with unemployment rates ranging from 8.7% to 10.7%. Sources: DRTFEFP, Saint-Etienne Métropole.]

Sources: DRTFEFP, Saint-Etienne Métropole
4.3 Population

INSEE estimates indicate that the municipality continues to lose population, declining from 180,210 in 1999 to 175,700 in 2005, although the rate of decline has slowed significantly (see Fig. 28) (INSEE 2007). Between 1990 and 1999, Saint-Étienne’s agglomeration lost 55,000 residents (and gained 31,000 new ones); approximately half of these out-movers bought property in the city’s suburban areas (Epures, 2006).

Figure 28: Population and migration rates, Saint-Étienne municipality

A new urban planning document is being developed to help counter this trend. The ten-year ‘Framework for Regional Coherence’ (Schéma de Cohérence Territoriale), known as the SCoT, is being formulated by the city’s urban planning agency following the national ‘Law for Solidarity and Urban Renewal’ of 2000 (Epures, 2006). It is a voluntary document covering the whole of Saint-Étienne’s urban region, and the city’s mayor is particularly proud of the political achievement involved in convincing 117 municipalities (with 510,000 residents) to join the coalition which he hopes will accept the SCoT plan, subject to a vote, and adhere to it.

This master planning document for Saint-Étienne's urban region is long overdue; over the last 40 years, the city has failed to convince its surrounding municipalities to sign up to two such proposed plans. It is hoped that the new spirit of cooperation engendered since the formation of the Agglomeration Community and the plan’s strong messages on the long-term harmful effects of sprawl underline the importance of protecting the city and region’s attractive natural environment (see Fig. 29), convincing the municipalities involved that it is worth committing to.
4.4 Relations with Lyon

The city’s determination to adopt a strategic approach at a wider level is best illustrated by its efforts to engage in constructive dialogue with Lyon. In 2002, Saint-Étienne Métropole, the body representing the city’s Agglomeration Community, became a member of the ‘Lyon Urban Region’ (Région Urbaine de Lyon or RUL) group, an informal association of municipalities, intermunicipal bodies and Departments that serves as a forum for debate among local politicians, focused on Lyon’s metropolitan region. However, local urban policy expert Marc Bonneville feels that, although this is a positive move, more powerful formal projects and structures are necessary to achieve true cooperation and clarify Saint-Étienne’s role in the Lyon metropolitan area; he believes that some form of specialisation in key economic and research sectors, along the lines of the Optics/Vision cluster, is required (UJM, 2006b).

Improved transport connections with Lyon are a key enabling component of Saint-Étienne’s regeneration strategy. Long-term planning documents such as the SCoT argue that better transport links are necessary for limiting urban sprawl between the two cities, helping Saint-Étienne to make the case for more investment.
4.5 Social cohesion

Youth unemployment in Saint-Étienne stood at almost 30% in 1999, and 58% of the registered unemployed have been on benefits long-term (INSEE, 2006); the low skill and qualification levels of this former industrial city are possibly its biggest social challenge. Social disadvantage is heavily concentrated in the city’s social housing areas, which are home to many of Saint-Étienne’s North African residents (INSEE, 2006). 16% of Saint-Étienne’s population was classed as foreign in 1990, with people of North African descent making up 64% of this total (20,620 people) (INSEE, 2007). Inter-ethnic tensions were heightened with the publication of an audit report confirming that the city’s main social housing company had intentionally concentrated North African households in specific zones of its housing stock (MILOS, 2005). During France’s widespread riots of November 2005, violence erupted in Saint-Étienne’s peripheral estates; several cars, nine trucks and two schools were set alight, and the city’s transport network was shut down when a Molotov cocktail was lobbed into a bus (Mairie Info, 2005).

The main means by which the city acts on social issues is through aid to independent neighbourhood associations, which do impressive work at grass-roots level. But funding for social activities has become tighter in recent years, and the mayor admits that the heavy cost of the physical renewal projects has led to accumulated debts and less money for other city services. Many social services (including employment support) are run by state-sponsored, state-funded agencies, not directly controlled by the city.

Some local residents in special regeneration neighbourhoods are critical of the city’s regeneration projects, objecting that the new jobs being created are ‘not for us’. They feel sidelined by decisions to attract middle-class outsiders while – in their eyes – doing little to help them progress. French urban renewal projects are generally criticised because they “suffer from a lack of consideration concerning … social development [and] the involvement of the inhabitants” (Dormois et al, p 245). Local people and local organizations “do not enter into the negotiation of aims stage” and are “barely informed during the stage of project implementation” (p 249).

The municipality is slowly beginning to see value in involving residents, but the culture of participation among politicians and civil servants is still in its infancy. Within the ANRU neighbourhoods regeneration programme, a residents’ committee representing all four areas is gradually gaining recognition and getting its voice heard. But participation and cohesion, particularly between ethnic minority and traditional French communities, remain extremely important and unresolved issues.
Years of substantial funding and commitment from the State have transformed Saint-Étienne’s economy from one dominated by a handful of large industrial firms to a diversified collection of SMEs (mostly industrial, but some in new sectors). The city’s culture and design oriented recovery programme involving cluster promotion matches the changing global economic landscape, but it remains to be seen whether the chosen sectors, and the strategy of providing physical sites, will actually deliver the depth of transformation required. The future of the local economy, given the concentration of industrial SMEs, is still highly dependent on the fortunes of French industry in the domains of steel, transport, aeronautics, chemicals and medical instruments.

Saint-Étienne’s recovery strategy focuses almost exclusively on physical projects. This is a French pattern; through its post-war ‘nationalisation policy’ the French State created national institutions for managing all economic and social programmes, while French municipalities – the local level – managed urban planning. Even the grands ensembles of social housing, for example, were State-imposed. In practice, however, this means that Saint-Étienne’s regeneration effort is concentrated largely in flagship physical projects, which change the image of the city but are less effective tools for tackling the entrenched economic and social problems that are the inevitable legacy of industrial decline. Turning these problems into an opportunity is a critical challenge.

This strong State role makes joined-up strategising at the local level particularly challenging, as frustrated local officials often explained. Each policy department at each political level in France (the State, Region, Department, intermunicipal Community and the municipality) has its own strategy documents and priorities, with which the local level must comply if it is to receive funding. The millefeuille hierarchy of different institutions and plans makes the reality of complex interacting urban problems hard to tackle. Local officials’ lack of control over economic and social policies also means that consultation with the private sector or with local social organisations becomes the responsibility of many different State-driven agencies. There is agreement that a more intense dialogue with the local population and the private sector would improve understanding of the issues, but it is difficult to see how this would create a more coherent and integrated approach without giving local bodies more direct say in the social and economic decisions that affect them.

Nevertheless, improved dialogue and cooperation at level of the Lyon–Saint-Étienne metropolitan region seem to be progressing with the encouragement of the State. The new SCoT 10-year development plan for the Saint-Étienne urban region will, if accepted by the mayors of its 117 municipalities, mark a new era of longer term and more sustainable urban planning which will help maximise the natural attributes of Saint-Étienne’s surroundings, one of the key quality-of-life assets of its South Loire Region.

The harmonisation of business taxes across all municipalities in the urban area in 2000 and the creation of a metropolitan government (the Agglomeration Community) were important steps towards the city achieving a
more coordinated, cooperative vision for the city-region, and establishing a wider base of support for Saint-Étienne’s ambitious recovery strategy. Administrative structures enabling joined-up governance across the Lyon metropolitan region are lacking, but local initiatives such as the G7 working group and regional plans such as the SCoT show that much can be done within existing structures.

In the meantime, the strong vision and wide-ranging influence of the city’s long-running Mayor Thiollière and his positions as president of the Agglomeration Community and senator of the Loire Region are recognised by locals as being a key success factor in the progress of the residential appeal strategy. The mayor’s continued popularity and his political coalition-building capacities play an important role in building local and regional support for, and international recognition of, the city’s regeneration – still widely referred to as a ‘work in progress’.

**Figure 30: Recovery timeline**
## SOURCES

### Interviewees

<table>
<thead>
<tr>
<th>Name</th>
<th>Role</th>
<th>Affiliation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amrani, Belkacem</td>
<td>Director of Economic Development</td>
<td>Saint-Étienne Métropole</td>
</tr>
<tr>
<td>Barbot, Jean-Paul</td>
<td>Director</td>
<td>Espace Loisirs children’s centre (in the Quartiers Sud-Est neighbourhood)</td>
</tr>
<tr>
<td>Bariol, Brigitte</td>
<td>Director</td>
<td>Epures Urban Planning Agency</td>
</tr>
<tr>
<td>Béal, Vincent</td>
<td>Researcher</td>
<td>Université de Saint-Étienne, Centre d’Études et de Recherche en Administration Publique de Saint-Étienne</td>
</tr>
<tr>
<td>Benhaboune, Mohammed</td>
<td>Director</td>
<td>Péripole Scolaire association</td>
</tr>
<tr>
<td>Bencharif, Lela</td>
<td>Researcher</td>
<td>Université de Saint-Étienne, Department of Urban Geography</td>
</tr>
<tr>
<td>Bonneville, Marc</td>
<td>Director</td>
<td>Institut d’Urbanisme de Lyon</td>
</tr>
<tr>
<td>Bouabdallah, Khaled</td>
<td>Professor</td>
<td>Université de Saint-Étienne, Institut Supérieur d’Économie, d’Administration et de Gestion, and member of Saint-Étienne Métropole Development Council</td>
</tr>
<tr>
<td>Chalaye, Sylvie</td>
<td>Researcher</td>
<td>Epures Urban Planning Agency</td>
</tr>
<tr>
<td>Chambe, Sébastien</td>
<td>Project Manager</td>
<td>EPASE (Établissement Public Manufacture-Plaine Achille project d’Aménagement de Saint-Étienne)</td>
</tr>
<tr>
<td>Cresci, Fabienne</td>
<td>Director of Urban Planning</td>
<td>City of Saint-Étienne</td>
</tr>
<tr>
<td>de Foucauld, Élie</td>
<td>Director of Economic Affairs</td>
<td>City of Saint-Étienne</td>
</tr>
<tr>
<td>Deral, Jean-François</td>
<td>Director of Urban Planning and Regeneration</td>
<td>City of Saint-Étienne, Department of Urban Planning</td>
</tr>
<tr>
<td>Dormois, Rémi</td>
<td>Research Director</td>
<td>Epures Urban Planning Agency</td>
</tr>
<tr>
<td>Dubien, Roger</td>
<td>Municipal councillor</td>
<td>City of Saint-Étienne</td>
</tr>
<tr>
<td>Faure, Claude</td>
<td>President</td>
<td>Saint-Étienne Métropole Development Council</td>
</tr>
<tr>
<td>Name</td>
<td>Position</td>
<td>Organization/Location</td>
</tr>
<tr>
<td>---------------------</td>
<td>-----------------------------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Gautteri, Pierre</td>
<td>Director</td>
<td>Saint-Étienne Métropole Development Council</td>
</tr>
<tr>
<td>Ghilas, Nordine</td>
<td>Youth worker</td>
<td>Maison de la Jeunesse et des Cultures youth centre, and long-term resident in Montchovet (Quartiers Sud-Est)</td>
</tr>
<tr>
<td>Houssais, Pierre</td>
<td>Director of Regulatory Urbanism</td>
<td>City of Saint-Étienne, Department of Urban Planning</td>
</tr>
<tr>
<td>Jacquier, Claude</td>
<td>Research Director</td>
<td>Centre National de la Recherche Scientifique, Ecole Normale Supérieure Lettres et Sciences Humaines, Lyon</td>
</tr>
<tr>
<td>Kaddour, Rachid</td>
<td>Researcher</td>
<td>Université de Saint-Étienne, and long-term resident in Montchovet (Quartiers Sud-Est)</td>
</tr>
<tr>
<td>Lauriac, Didier</td>
<td>Director of Economic Observatory</td>
<td>Chambers of Commerce of Saint-Étienne and Montbrison</td>
</tr>
<tr>
<td>Montagnon, Pascal</td>
<td>Deputy Director</td>
<td>City of Saint-Étienne, Department of Urban Planning</td>
</tr>
<tr>
<td>Muzika, Stephan</td>
<td>Director</td>
<td>EPORA (Etablissement Public Foncier de l'Ouest-Rhône-Alpes)</td>
</tr>
<tr>
<td>Paul, Noël</td>
<td>Vice President and Director of Higher Education and Research</td>
<td>Saint-Étienne Métropole</td>
</tr>
<tr>
<td>Pinson, Gilles</td>
<td>Professor</td>
<td>Université de Saint-Étienne, Centre d’Études et de Recherche en Administration Publique de Saint-Étienne</td>
</tr>
<tr>
<td>Sablé, Marie-Anne</td>
<td>General Secretary</td>
<td>Comité des Quatre Quartiers association</td>
</tr>
<tr>
<td>Saby, Elisabeth</td>
<td>Technical Advisor</td>
<td>City of Saint-Étienne, Department of Public Services</td>
</tr>
<tr>
<td>San Pedro, Gérald</td>
<td>Researcher</td>
<td>City of Saint-Étienne, Department of Urban Planning</td>
</tr>
<tr>
<td>Sauvez, Marc</td>
<td>Advisor</td>
<td>Interministerial Delegation for Preparatory Mission for the Public Regional Planning and Regional, Planning Body of Saint-Étienne Competitiveness</td>
</tr>
<tr>
<td>Thiollière, Michel</td>
<td>Mayor</td>
<td>City of Saint-Étienne</td>
</tr>
<tr>
<td>Villenave, Stéphanie</td>
<td>Youth worker</td>
<td>Maison de la Jeunesse et des Cultures youth centre (in Quartiers Sud-Est neighbourhood)</td>
</tr>
</tbody>
</table>
Bibliography


EPASE (2007) Délibération no. 2007—03: Orientations Générales de l’Etablissement,


Epures (2006) Schéma de Cohérence Schéma de cohérence territoriale (SCoT) Sud Loire, Rapport de Présentation: Synthèse,


Frerot, O. (6 September 2005) Intervention d’Olivier Frerot, DDE de la Loire, CCI de Saint-Étienne Montbrison,


INSEE (2006b) Estimations de population des plus grandes communes de Rhône-Alpes,

INSEE Rhône Alpes (2002) Aménagement du territoire: Les villes moyennes ont conquis les rhônalpins, La lettre analyses, no 82,

INSEE Rhône Alpes (2005) Six pôles d’emploi dans Saint-Étienne, La lettre analyses, no 33,

INSEE Rhône Alpes (2006) Région urbaine lyonnaise: un renouvellement de 70 % des emplois en 10 ans, La lettre analyses, no 63,

INSEE Rhône-Alpes (2006) Rhône-Alpes: une région attractive pour les étudiants, La lettre analyses, no 55,

INSEE Rhône-Alpes (2007) La hausse des créations d’entreprises reprend en 2006, La lettre résultats, no. 75,


Le Galès, P. (2003) The Governance of Local Economies: A French case study, Seminar paper 5, Sociology Department, UCLA,
http://repositories.cdlib.org/cgi/viewcontent.cgi?article=1010&context=uclasoc.


