

FRANCE'S RECOVERY PLAN: THE UNFINISHED BUSINESS OF SPATIALISING DEVELOPMENT POLICIES

France's recovery plan is similar to other national equivalents across Europe. It benefits firms, industries and rail and transport operators and fosters generic ecological and digital targets. However, cities have not received a large share of funds or priority measures, even though urban agglomerations are likely to be the site of most investment projects. Besides this, territorial projects sustain the plan's implementation and, if improved, may become the tool for the spatial ecological transition.



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CIDOB REPORT
09- 2022

Introduction

Even though the French recovery plan is not notably different from those of other European countries, the plan stands out for its inscription into the framework of the country's ordinary policies. These have been cripplingly robust and already anticipated some elements of the ecological and digital transition and expectations of reindustrialisation. Decentralisation and intense negotiation between state and local authorities are also part of the traditional French framework. Nevertheless, cities and metropolises have not been central to conceiving the recovery plan; they have been part of a framework of top-down policies, much of which was already shared. Their main demand – strengthening the revitalisation plan's spatialisation – was in line with the tradition of territorial projects.

An ordinary plan?

In September 2021, the French government launched the Recovery and Resilience Plan after a dialogue with social partners, stakeholders and the European Commission. The French recovery plan amounts to €100 billion (about 4% of GDP), with the European Union contributing roughly 40%. The plan allocates almost equal amounts

to the three EU pillars – ecological transition (€30 billion), competitiveness (€34 billion) and cohesion (€36 billion) – and aims to transform the French economy and create new jobs over two years (2021–2022) and consists of 20 reforms and 71 investments.

In the short term, the plan intends to revive all sectors of the economy by 2022 and create 160,000 jobs as soon as 2021, thanks to a rapid increase in public spending and investment. France's plan converged in aims and magnitude with the recovery plans of other EU countries, except Italy's; however,

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France also invested €20 billion in reducing production taxes. Besides this, it complements and continues the support measures for businesses and employees launched at the start of COVID-19. Furthermore, France's development policies continued through the recovery plan without significant changes. The *Programme d'Investissements d'avenir (PIA)*, for instance, has financed €77 billion of research and innovation projects since 2010, which the recovery plan inherited. Moreover, since 2021,

the France 2030 plan has targeted "industrial and technological sovereignty", investing in high-technology strategic sectors such as nuclear energy, the conversion to hydrogen, and the decarbonisation of manufacturing and transport.

In detail, 46% of the French plan will support climate objectives, and 21% will foster the digital transition, according to EU sources. Strategic industries receive €34 billion, with the primary beneficiaries being the rail and transport sector, aviation, electric mobility (subsidies supporting the purchase of electric vehicles), cycling and public transport. Then there is energy efficiency and renewable heat and the green hydrogen industry (which will benefit from additional financial aid over the next ten years).

The building sector, in turn, will receive €6.7 billion, mainly dedicated to energy renovation of buildings in the public (particularly higher education and student living), private (which has registered almost 800,000 applications), VSE/SME and social housing sectors, in declining order. Finally, the preservation of biodiversity is given €2 billion, preventing land artificialisation and recycling, and the agricultural sector €1.2 billion. As for cohesion, the plan invests up to €36 billion in supporting young people, employment, associations fighting precariousness, people with disabilities and the most-affected employment areas.

The plan has been generally well-received, though economists are baffled by some incongruous priorities and dimensions (Plane, 2020); others criticise the weak investment in electricity and health (Papon, 2021), conscious of the consolidated deficit in these sectors. In particular, the plan seems to lack innovation and to focus on returning to the situation before the crisis more than promoting the ecological and digital transition (Levratto, 2020). Finally, scattered investments, unconditional tax cuts and the preference for companies over the public sector jeopardise the plan's strategic ambitions (Jouve, 2022). However, government analysts favourably assess the additional options for biodiversity (Bureau et al., 2020).

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Concerning the measures in the plan, the emphasis on tax reduction, primary national energy and transportation projects jumps out. It should be noted, however, that many investments, for example, those in building rehabilitation and soft mobility, are much more widespread. It will be interesting to see in retrospect how many of these provisions go to the big cities. Indeed, it is reasonable to expect that most industrial, digital, mobility and construction investments will be concentrated in these areas.

A progressive spatialisation of recovery

The gradual shift in the plan from a vertical to a more horizontal pattern is evident, albeit still weak.

As far back as July 2020, the government asked for indications from the [Social Economic and Environmental Committee](#) (CESE) on the "territorial implementation in the Overseas Territories" of the recovery plan. It recommended drawing up "territorial recovery plans" with co-construction of the projects, and coherent coordination with land-use and environmental planning. A similar recommendation was also given for the recovery of the dismissed industrial basins policy.

[France Urbaine](#), an association grouping cities and metropolitan areas, emphasised some aspects that already lay at the core of the plan during its preparation, like mobility and the building renovations. However, cities also made claims that were unsuccessful. For instance, an increased transfer of resources, additional fiscality to implement the ecological transition in cities, and the regionalisation and spatialisation of public investments all failed to gain the government's approval. In political jargon, "territorialisation" suggests a convergence process between the country's contractual tools, State-

Region Planning Contracts (CPER), and local strategies, including European programming. This process should lead to cities and agglomerations gaining a more prominent role. However, the salience of local strategy, the “*projet de territoire*” (Rivière, 2022), often oscillated along with political cycles, while remaining central to regional policies. To this regard, France’s government finances local community development and infrastructure through “contracts” signed with regions that are valid for six or seven years. The sixth generation of CPERs has mobilised nearly €30 billion for 2015–2020, half of which is for transport infrastructure and mobility, university and research, training and the ecological transition.¹

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In 2020, a contractual framework – the Recovery and Ecological Transition Contracts (CRTE) – became the territorial component of the CPER and the means the state uses for its various territorial public policies. The National Agency for Territorial Cohesion (ANCT, formerly DATAR) looks after the implementation of 847 CRTEs. Most of them coincide with the local tax system’s inter-municipal bodies. By the end of 2022, the ANCT website had collected about 819 CRTEs.

According to the first assessment by this agency, the ecological transition is the main cornerstone of the CRTEs, particularly when it comes to soft mobility, energy efficiency and the circular economy, such as housing and urban renewal, digital inclusion and access to public services. By contrast, social issues are given less consideration (social inclusion, including disability, demographic transition and intergenerational projects, security, and urban social policies).

Eventually, representatives of municipalities protested against the government’s blindness to the needs of the most vulnerable social groups during the pandemic, prompting an appeal from Grigny, one of France’s most-disadvantaged municipalities, to give more consideration to poor suburbs and working-class neighbourhoods in government policies. As a result, the government held an inter-ministerial Committee for Urban Policies (CIV) in Grigny on January 2021 and finally allocated €3.3 billion additional funding for the 5.4 million people living in the priority neighbourhoods, the *Quartiers de la Politique de la Ville* (QPV). Though the cities did not achieve all their goals, they obtained more than 1% of the recovery fund for local policies.

1. See also *Agence Nationale pour la Rénovation Urbaine* (ANRU).

Metropolitan recovery strategies

It is too early to check the plans of major cities that were approved in mid-2022 and are newly available. Not of great economic size, they seem to reflect national guidelines, albeit strengthening the ecological transition aspects. Inevitably, most mechanisms continue what cities had previously arranged.

For instance, the Greater Paris Metropolis (MGP), the capital's metropolitan body, inserted a strategic vision in its CRTE that was coherent with previous orientations but in line with the aim of the transitions (ecological, digital and productive). The three main axes address economic development and urban manufacturing, notably environmental transition and social solidarity. The third edition of the *"Inventons la Métropole"* call for projects focuses on converting offices into housing, recycling industrial and commercial wastelands, and developing the neighbourhoods around the new Grand Paris Express underground stations. Lyon's CRTE, on the other hand, conceives of sustainable mobility as a means towards an equitable low-energy region; thus, better mobility and the reorganisation of urban planning, lifestyles, services, commerce and teleworking work hand-in-hand to make a more sustainable and just region. To achieve this aim, a mix of hard and soft measures are paramount, like limiting travel demand, promoting cycling and walking, and decarbonising all forms of transport.

Conclusion

The design of the recovery plan gave French cities little room to manoeuvre, although they have contributed to the debate and provided some guidance. Nor are cities among the most significant recipients – firms, industries, rail and transport services get the most, being a wider audience of small beneficiaries. In all likelihood, though, cities are where most of the investments will end up. From this point of view, the instrument of the territorial project and the corresponding contracts seem interesting. Critics might argue that, at the moment, they look like the updating of the "usual shopping list", but there are signs of increasing territorial coherence of investments in the CRTE documents.

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