



Editorial

The metropolis: at the forefront of a new economic and political model

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Editorial

The metropolis: at the forefront of a new economic and political model

An acute observation of the evolution of the state, the economy and ways of thinking over the past forty years shows that society, beyond just a succession of crises, has been undergoing a metamorphosis over time. Another model is gradually taking shape which has rendered our usual references inadequate. Accordingly, these have been radically challenged under the seemingly boundless effects of globalisation and the digital era which appear to be leading to a society that seems to be losing all manner of centrality. The unprecedented development of urbanisation constitutes a sort of bridgehead.

From this general trend comes a certain disarray, though unspoken, reflecting an inability to build an overall project over the long term and, in the end, a considerable difficulty to give meaning to public policies which remain visible solely in an effort to control costs.

There are grounds for concern. The major obstacle in thinking and building a strategy faced with such an environment certainly lies in the urgent need to make public finances sustainable. Today this amounts to nothing less than reorganising the world and defining new regulations. Yet, without sufficient financial means, it would be futile to assume that this could be achieved.

So while the metropolitan phenomenon becomes increasingly important, the extremely critical situation of the public finances environment may lead to and develop an entirely new kind of threat to these new ways of “living together”. However, the risk is that due to their complexity the inherent fragility of metropolises could be amplified by the inability to come up with new solutions to finance their functions. Metropolises are clearly a source of innovation and economic and social development that benefit from their external

environment. But the opposite is also true, and their difficulties can just as well undermine this environment.

At its root, and well beyond financial aspects, the more general challenge is also to be able to understand and interpret an ever-changing world that is developing horizontally through networks, and especially through the growth of metropolises that are progressively taking over an increasingly larger share of the national and international arena in the same vein as transnational companies. Whereas today 1/3 of global wealth is produced in 600 metropolises, 40% of international economic flows are generated by 70,000 international groups.

In other words, a meaning needs to be given to what is essentially reorganising the world from traditional centrality. The current economic and political context has changed dramatically from the time when the institutions were forged that give society its structure. In particular this concerns relations between the state, the economy and the regions.

As a result, the time has come to reconsider the distribution and sharing of powers between national and local political and economic players. Amidst this comprehensive backdrop of globalisation, the classic central/local opposition is no longer at the heart of the matter. Furthermore, the true challenge in light of the deep-rooted transformation of the economic model that has occurred over the past forty years, is shifting from the relations between regions and the state to those between metropolises, the state and other public and private players (companies and citizens' associations).

In all, we are witnessing an economic and political overhaul in which metropolises as strongholds of power are at the forefront. While they are potentially promising for 21st century society and offer a chance to provide for everyone's well-being, we must know how to seize this opportunity. A profound change in our society is taking place before our eyes that we are still trying to correctly identify. It is a silent revolution developing within the network of metropolises that connect the world. And within this network lies the support and the anchor point from which all of their effects related to globalisation of the economy and new technology are becoming polarised and produced. The economic system is being reorganised against the backdrop of metropolises. It is also in this context, although in a manner that is yet to be seen, that the organisation and the distribution of political powers are being reconstructed.

In this context the financial governance of cities has now become a major challenge in societies where the state is weak and threatened by globalisation, by the development of the digital economy, by the increase in the wealth gap both between people and between territories

or even by expected population growth. A report by the UN¹ states that by 2050, the global population is expected to have reached around 10 billion. Moreover, as mentioned in another report whereas in 1950, “more than two-thirds (70%) of the global population lived in rural areas and less than one third (30%) in cities”², in 2014 54% of the global population lived in urban areas. The authors of the report estimate that in 2050 this proportion will have risen to around 66%.

Amidst the urbanisation boom, or rather as a result of it, a new way of thinking is being gradually put in place across the world. A brand-new concept for public governance is in the works. It is taking shape based on the gradual disappearance of the organisational and operational model created centuries ago by people whose culture was rooted in a world of predominantly rural areas.

The urban culture that is expected to spread through metropolises in the coming years should revolutionize the ways in which we see and do. This stems from changes ranging from the increasing size of cities both in terms of their population and their economy as well as how they are connected to all types of networks, both near and far³. Their power will result in increased economic, social and cultural influence expanding beyond their administrative borders. Currently 1/3 of global wealth is concentrated in 600 cities through an international network that connects them.

Traditional rural society, already greatly transformed by the arrival of digital technology and the globalisation of trade, is increasingly characterised by ways of being and thinking that are no longer fundamentally different from those found in urban areas. It can be argued that the lifestyles and needs of citizens in terms of services is becoming homogenised. While this is more obvious in certain countries than others, it is accelerated when a portion of citizens, for various reasons (lower cost of living, environment, space, etc.) decide to live in a rural area.

Consequently, this phenomenon of the urbanisation of the countryside challenges both the theory and practice of land development policies which have until now been based on a clear separation between urban

1. China will have 1.35 billion inhabitants and will be surpassed by India (1.70 billion). The countries in Europe will see their populations shrink apart from France, Belgium, UK, Austria and Netherlands. Morocco’s population is expected to grow by 27%. The population in Africa should double and will represent one quarter of the global population, *World population prospects*, Department of economic and social affairs, UN, 2015.
2. *World urbanization prospects*, Department of economic and social affairs, UN, 2014.
3. For example in France, according to Insee 95% of French people live in communities with an urban influence: 65% in an urban centre, and 30% in surrounding urban areas. Only 5%, or 3 million people, live in communities beyond this influence.

and rural as well as the presence of sedentary populations. For a number of local authorities, this mobility of the population makes it difficult not only to plan adapted infrastructure, particularly for means of communication such as high-speed trains, and airports, but also results in the challenge, or even inability, to meet the needs of these new inhabitants (transport, health resources, education, culture, etc.) particularly due to a lack of financial resources. However, this last challenge runs the risk of becoming greater than we can imagine.

In addition to the increase in the cost of public services and their infrastructure, urbanisation will necessarily result in the need for substantial investments to install digital equipment. As computerisation, dematerialisation and online communication become more widespread, this will require considerable human and material resources. The smart city represents a cost from which no city can or will be able to escape if it wants to continue to grow or just exist⁴. The problem is likely to prove insurmountable in the event that the state, faced with budget crises, runs the risk of not being able to redistribute its resources between the territories. Yet public and private investments will have to be huge over the coming years.

However, it is within a physical territory with well-defined borders (community, region or even state) that the administrative, political and public spending institutions were designed and created. The emergence of metropolises have provoked, challenged and changed not only habits and cultural values but also the economic, social, administrative and political order that has been in place for several centuries and that has to be rebuilt.

In other words, we are witnessing the rise of new areas for which everything needs to be designed not only in terms of how they are organised internally but also their relations with existing surrounding territories and regions in particular. These relations must be rapidly clarified in order to avoid developing a fierce and destructive competition for public interest. Not to mention that the administrative boundaries of cities no longer correspond to the reality of the urban world.

Furthermore, even if these metropolises are firmly in place both in theory and practice as economic powerhouses and clusters for innovation, they are also territories where on the one hand business and innovation are concentrated and on the other hand abound with social issues (unemployment, substandard housing, lack of health institutions, etc.). Cities are on the front line faced with challenges that can only

4. In France, local authorities consecrate on average 2% of their budget to this type of spending.

grow if no new solutions can be found or if the usual systems are not appropriately redeployed.

The task becomes all the more difficult as the environment in which these metropolises are born or develop is characterised by the urgent need to make public finances sustainable. This requirement constitutes a major factor that determines the number of public policies and the future of metropolises in particular.

This is the reason why their development seems to be occurring at both *the worst and the best time*.

At the worse time because in the majority of countries, the situation of public finances is far from good; and without sufficient financial resources, the finest institutional structures are as strong as sand castles. It is for this reason that metropolises are doomed to develop in confusion unless they are put into perspective within budgetary constraints and a clear financial status, particularly in terms of tax.

At the best time because their momentum can help to effectively build an economic development strategy and consequently reverse the infernal thinking of unchecked public deficits and public debt that could heavily weigh on investment and subsequent economic growth.

We should refrain from an overly-restrictive approach and not fear the balanced growth of cities solely through the lens of the public finances crisis. It is imperative to take into account the quality of the economic fabric, that is to say the growth of businesses and their involvement in the development of their surrounding area. In this respect the implementation of public-private financial partnerships is crucial. It is also necessary to develop the civic duty of the population by creating participatory procedures and especially a participative budget. Finally, it is important that everyone contributes to the development and the proper functioning of the metropolitan network with impacts that have a tendency to expand beyond the borders of the state.

In this perspective, metropolises clearly constitute *one of the bridgeheads to the economic and political structure of the future*. They open new horizons and offer an occasion to innovate, especially through digital technology. Due to the shortcomings of the welfare state, its financial difficulties and its inability to think in the long term, they are faced with questions that were traditionally thought to be under the state's jurisdiction but that they must now try and resolve. This includes areas such as tackling unemployment, managing major public services (transport, security, sanitation, water distribution, waste treatment, health, education, etc.) and even protecting the environment. By cities stepping into the shoes of the state, or at best their position as a bridge institution of a state

weakened by crises, this demonstrates the reversal of the usual structure of relations between local and central authorities. It could be argued that the disappearance of centrality could therefore start to benefit, and not from the outskirts, what geographers refer to as the “archipelago of cities”. In other words, these ongoing changes follow a path from vertical to horizontal.

The metropolises are also bringing about a way of organising themselves and a network-based decision-making process that prefaces the nature of tomorrow’s political model. They also facilitate an overall assessment of public policies, policies that are all too often analysed separately instead of taking into account the impacts of their interactions. They are therefore called on to challenge many intellectual certainties and acquired institutional situations. Clearly they represent a complex general picture that may cast doubt on its overall consistency and accordingly the ability to lead it. However at a time where a strategy is needed to control the deficit and public debt that could jeopardise the overall balance of society, it is crucial to invent a new decision-making process. Yet this does not mean going back to an overly-centralised state or leaving them to infinitely develop autonomous, horizontal and finally neo-feudal powers. The path is therefore narrow since it can only be formalised in a system built by blending unity and diversity⁵.

We must break with the compartmentalised view of society, a concept that neither recognises nor formalises the multiple interactions and the multitude of rationales that characterise it. Finally, a polycentric order should be built, a network of governance.

In other words, it can be said that through the urbanisation of areas but also the development of these huge multinationals such as the GAFSA, a new society is taking shape, with the traditional state caught between two giant international networks. Political, economic and social thinking should be geared towards this process of rebuilding and specifically the urbanisation phenomenon. The latter certainly constitutes a major initiative. It requires making the city, currently the metropolis, liveable by combining the reorganisation of the decision-making process, economic development and environmental protection. Without forgetting social justice. To continue to turn a blind eye towards the growing gap between the rich and poor would be the worst tragedy for the future of humanity and would surely result in the condemnation of metropolises.

Michel BOUVIER

5. On the search for a political organisation blending unity and diversity, see. M. BOUVIER, *L'État sans politique*, (The State without politics) Preface by Georges VEDEL, LGDJ, 1986.