

## THE “PRESENTIAL” ECONOMY

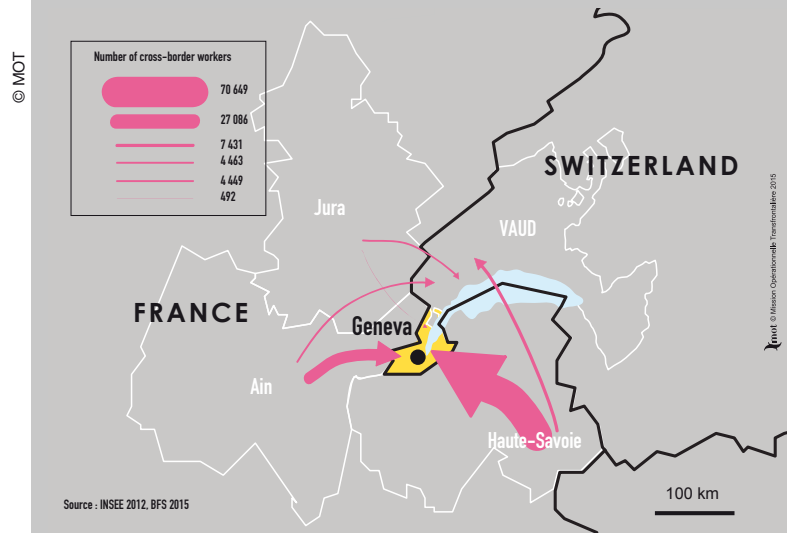
This view leads to a different way of envisaging public action with respect to the economic development of a territory, which is no longer focused solely on developing existing firms and attracting new ones. An economic analysis of a territory must take into account the links between the different spaces that people operate in (home, production, consumption and leisure), connected by an efficient transport system, and incorporate the potential constituted by capturing the wealth available within the population present in the territory: the development of service activities (retail and leisure, and business and leisure tourism). The aim is then to develop a welcoming strategy with regard to new residents, commuters and tourists that helps to develop service activities<sup>6</sup> for the population, thereby creating jobs that, by definition, cannot be relocated.

Each territory has a specific balance between productive and presential economies that results from its particular geography and history (productive and social capital, accessibility, amenities, etc.). Some territories can “get along well” without a productive economy. Of course, the viability of a territory’s economy depends on exchanges with the world outside: in an open economy, the goods and services produced need to find external markets; and the flows that support the presential economy need to be fuelled by revenue produced elsewhere (work of commuters and tourists, social security benefits of the unemployed and pensioners, and the funding of public services).

The territories based more or less on a productive or presential economy support one another, with this solidarity being the result both of the market itself and of public policies that redistribute revenue between territories, whether explicitly (territorial development) or implicitly (network of public services and social security provision).

The regulation of this redistribution is primarily carried out by national governments; it is currently the subject of intense debate and far-reaching reforms in France and the neighbouring countries. This not only raises the issue of social cohesion (level of social security contributions and taxes, the trade-off between efficiency and equality) but also that of territorial cohesion (the optimum administrative level for public action, territorial equality, an approach based on population or territory depending on the extent to which residential mobility is encouraged).

In a context in which governments’ ability to ensure cohesion is being curtailed by the crisis in public financing, L. Davezies recently proposed the idea of “dual production-based and residential systems”,<sup>7</sup> large territories that combine the two spheres, giving them greater viability. It is the fact that some of these systems are cross-border in character, whereas, so far, regulations remain national, that makes cross-border territories laboratories for European territorial cohesion.



Home-work commuting - Greater Geneva

## PRESENTIAL AND NON-PRESENTIAL SPHERES: THE PARTICULAR CASE OF CROSS-BORDER TERRITORIES

As in any territory, the two aspects (productive and presential) are present in a border or cross-border territory. But sometimes the border serves to separate a more “productive” area, with industries producing goods and services that are not necessarily intended for the territory, from a more “presential” area, in which the retail sector, tourism and services to the population are more developed. Some French border territories are emblematic in this regard due to the intensity of the home-work flows of people crossing the border (to Luxembourg and the Basel and Geneva conurbations from the surrounding territories).

The dichotomy between a predominantly productive territory and a predominantly presential territory would, within a single State, be the subject of various public means of regulation (spatial planning aimed at rebalancing flows, financial solidarity, reorganisation of local government, etc.), but such public policies are highly problematic in this case owing to the fact that a national border divides the predominantly presential territory from the predominantly productive territory.

A cross-border analysis is therefore important for this type of area, particularly regarding the distribution of living spaces and of the provision of services. This dimension of territorial planning is not always shared in cross-border settings: this is where there is sometimes a divergence in the role of public intervention to promote economic development.

Even if not all borders display such a polarisation, the movement of people, goods, services and capital, and as a result, the integration of territories, no longer takes place just within each country, but within the European area as a whole (the European Union and third countries such as Switzerland). The hypothesis of this research is that this mobility plays or can play a more significant role in the context of cross-border regions, where it is a potential source of prosperity, if it is regulated in a coordinated manner by the countries on either side of the border.

<sup>6</sup> <http://www.insee.fr/en/methodes/default.asp?page=definitions/sphere.htm>  
<sup>7</sup> L. DAVEZIES and M. TALANDIER, *L'Emergence de systèmes productivo-résidentiels. Territoires productifs – Territoires résidentiels: quelles interactions ?*, CGET (General Commission for Territorial Equality), La Documentation française, 2014.