Post-industrial globalization and local *milieus*: A typology

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Delphine Guex
University of Bern, Institute of Geography
CRED

Olivier Crevoisier
University of Neuchâtel
GRET

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Abstract

In terms of regional development, let’s call the period up to 2008 the industrial age. Until then, the development of regions depended on their integration into globalization through production, and their positioning in the spatial division of labor: this illustrates the concept of competitiveness. Now, globalization also plays a role in terms of consumption. This dimension is discussed in the literature, for example by Markusen (Markusen, 2007, Markusen & Schrock, 2009) and the proponents of the so-called residential and presential economic trends in France (Davezies, 2009, Davezies & Talandier, 2016): this illustrates the concept of attractiveness. This research greatly improves the understanding of the current development processes of the regions insofar as it considers both consumption and productive flows. Nevertheless, the question of understanding the dynamics of development based on competitiveness and attractiveness still arises. This article proposes an analytical framework based on the idea put forward in Camagni’s (2005) conceptualization of the region as a meeting place for different supplies and demands. We propose a typology of income flows and regional and urban activities that considers local and extra-local demands, as well as local supply, firstly as a productive agglomeration and secondly as both a place of consumption and a living environment. The concept of an "innovative milieu" (e.g. clusters, industrial districts, etc.) allowed the industrial context to take into consideration local capacity for renewing competitiveness; we suggest that the "local post-industrial milieu" development model should encompass the capacity of a city or a region to manage tensions and to exploit the synergies between the various types of activities and people in the region which result from the integration of the region into various forms of globalization.

**Key words:** territorial development, export base theory, residential economy, milieu, demand-based development
Introduction

During the period of modernization of Western society, until the end of Fordism, the economies were structured by industrial production and mass consumption broadly at the scale of national states. In this context, the demand for manufactured goods exported from the city mechanically stimulated, through the phenomenon of income multiplication, a local demand for the city, fuelled by the wages of local workers (Hoyt, 1939, 1954). The context gradually evolved, although still within the framework of industrial capitalism, to be marked by the increasing mobility of enterprises and labor. Under such a system, tax reductions for companies and potential localization savings attracted companies and workers. By various means, the regions improved their competitiveness. Social tensions and city development challenges centered mainly on work (wages, redistribution, training, etc.). This pattern matches the trajectories of the development of most Western cities and regions in the 19th and 20th centuries.

As noted by Scott & Storper (2015), following the waves of industrial capitalism (the first associated with the artisanal and industrial system of the 19th century, and the second associated with Fordism in the 20th century), there was a "third wave of urbanization, based on cognitive-cultural capitalism", which raises new questions. For us, these questions are not only about competitiveness, but also attractiveness. Firstly, there is the widespread importance of certain tensions in cities and regions, such as the phenomenon of gentrification (Atkinson & Bridge, 2004, Lees, Slater, & Wyly, 2013, Smith & Williams, 2013, Smith, 2002) and the displacement of artisanal and industrial activity due to residential and tourism pressures (Biagi, Brandano, & Lambiri, 2015). Secondly, cities and regions are increasingly faced with the need to resolve insufficient growth problems. Many of them do it by promoting the commercial and tourism sectors (Brida, Cortes-Jimenez, & Pulina, 2016). The following paradox is also observed: despite high productivity, some industrial cities and regions are among the poorest national spaces (Davezies & Pech, 2014, Segessemann & Crevoisier, 2015). The general observation is as follows: a region with high productivity in terms of production but a low intensity of consumption will have lower growth and lower levels of development compared to others. Boltanski and Esquerre (2017) recently agree with these geographer’s observations and consider them sociologically as crucial.

In the regional studies literature, despite these observations, most of the literature continues to postulate that competitiveness (integration of the region into globalization through the distribution of labor and knowledge) is necessary and sufficient for development. This paradigm, which we call "productive", supposes that innovation (and, in particular, technological innovation) results in competitiveness and hence development. A discussion which goes beyond the "productive paradigm" is required.

Tourism, residential mobility, commuting, growth in the number and mobility of students, the proportion of (mobile) pensioners in the population, etc. are all phenomena whose role in the development of cities and regions can no longer be ignored. The post-industrial context shows the limitations of existing productive paradigm, since an individual's consumption space is now often independent of their work space (Talandier, 2016). Spatial and temporal recreation boundaries in the industrial context, including holidays in "tourist resorts", are now fragmented. Now, dwelling is increasingly multilocal (Duchêne-Lacroix, Hilti, & Schad, 2013; Frelat-Kahn & Lazzarotti, 2012; Stock, 2004). From an economic point of view, it can be said that the spatio-temporal conditions of consumer spending are diverse. The impact of these changes on the development of the regions was highlighted, in particular in France, by a number of researchers following the lead of Davezies (Davezies & Lejoux, 2003) (see point 1.3). The experience economy (Guex & Crevoisier, 2015; Lorentzen, Schrøder, & Topso Larsen, 2015; Pine & Gilmore, 1999; Sundbo & Sørensen, 2013) also
reflects the importance of "tourism" in the broad sense, including under this banner activities such as sport, art, culture, music, gastronomy, design, architecture, etc.

Here, we interpret these changes as a new form of integration of the regions into globalization: no longer only in terms of supply (labor and businesses), but also in terms of demand (customers and consumers). In contrast to consumption-based development models, such as that proposed by Markusen (2007), this involves the systematic consideration of income flows from production as well as expenditure flows. Off-market transactions are also considered to some extent. In the post-industrial context, the latter have both direct and indirect importance for the development of a place as a living environment. Consideration of non-monetarized or unmarketed transactions (by the state or local authorities) will thus further refine the model.

More analytically, following Camagni’s logic (2005), this article discusses supply and demand in cities and regions, in the context of post-industrial globalization. The development theory accompanying this analytical framework posits that supply and demand are linked in a more or less virtuous way within a given space, beyond the sectorial specificities and the presuppositions in terms of the resulting development mechanisms. There are varying demands, whether for a landscape, a regional product, a restaurant, museum or simply a parking place, which may compete with or complement each other to varying degrees within a region. The higher and more numerous the demands, the more likely people are to pay for them. Similarly, with regard to supply, the city and region will have various natural and constructed amenities, which are more or less complementary and in competition. The quantity and quality of these supplies will depend on the dynamics of territorial development. Thus, in this approach, the drivers of development are activities which traditionally support industrial development (exports of goods and services, and competitiveness based on the spatial distribution of labor), but also, and above all, urban development (consumer attractiveness based on spatial distribution of consumption).

In the first section of this paper, we present the complexity of the development mechanisms of cities and regions in the post-industrial context. We do this by looking at the new challenges facing the regions in terms of their integration into globalization. The second section proposes a typology of urban and regional income flows and activities and details regional supplies and demands. From a territorial perspective, the third section proposes a dynamic approach to development, which reflects the quality of the city's integration into globalization. By quality of integration into globalization, we mean the ability of the city to manage the tensions and synergies between the various activities and people therein generated by this integration. We will then discuss the successful linking of local post-industrial milieus (regional or urban) before inviting in the conclusion a discussion of the challenges and opportunities put forward by regional scientists to distinguish supply and demand for a place and for the local post-industrial milieu.

1. **New ways of integrating regions into globalization**

This first part aims to identify the challenges for territorial development posed by the post-industrial context on the basis of the literature. Firstly, we will talk about innovation and creativity, which are crucial for the industrial competitiveness of the regions. Secondly, we will discuss competition between cities/regions to attract consumers, which is a new issue specific to the post-industrial context. Thirdly, in addition to income flows and circuits, we shall address Marxian-inspired approaches which more specifically question the challenges posed by the integration of the city into globalization. Our discussion of these approaches will show that the post-industrial context leads to new geographies of the dynamics of regional development, marked by a disjunction between the places of production and the places which attract income flows.
1.1. Industrial competitiveness: innovation and creativity

The issue of the cost and individual productivity of businesses is central to models of development of urban and regional production systems. The productive paradigm deems that the integration of the region into globalization is achieved by virtue of the ability of businesses and local communities to develop innovative products. Qualitatively speaking, innovations distinguish regions from one another and strengthen their competitiveness. Since the 1980s, various models have addressed this concept of innovation: innovative milieus (Crevoisier, 1993, 2000; Maillat, 1996, 2006), clusters (Asheim, Cooke, & Martin, 2008; Porter, 1998), learning regions (Asheim, 1995; Lagendijk, 2006). Territorial Innovation Models (Moulaert & Sekia, 2003) have generally shown the value of a qualitative approach to agglomeration dynamics, allowing for economies of specialization. These theoretical evolutions reflect the consequences of the increasing mobility of goods, knowledge and workers. In the long term, we are talking about technological regional trajectories and path dependencies within an evolutionary dynamic (Boschma & Frenken, 2005; Bramanti & Ratti, 1997; Martin & Sunley, 2006).

The shift from Fordism to the paradigm of innovation systems accentuated an already marked tendency to ignore the markets and instead to focus on local production and innovation systems, with the assumption that the markets, now considered to be global, would absorb all competitive production. Thus in terms of flows for the region, demand is not currently being addressed as a factor in development dynamics. This is the case for extra-local demand for exported goods, but also for local demand for all kinds of goods and services. In other words, two types of demand are implicitly assumed in the literature: the demand for exported goods which absorbs all production, and the demands of local consumers (captives of the city or region) for the resulting goods and services. In the logic of development dynamics, the latter plays a fundamental role since it is implicitly assumed that urbanization occurs downstream on the basis of local employee expenditure (assumed local multiplier effect).

The issue of urban consumption became an issue in the literature after Florida (2002, 2005) showed that the productive city was now attracting "creative" workers, bringing innovation and therefore growth. This concept of a creative city has the merit of highlighting the new integration of regions into globalization. Each city or region is a place of consumption and a living environment within the globalized competition, whose development is affected by the kinds of economic actors that are present. These people are attracted to these places because of amenities which impact on their quality of life (infrastructure, culture, leisure, environment, etc.).

Nevertheless, the creative city approach has its limitations, as raised by Scott & Storper (2015), as it remains, above all, descriptive. Moreover, it is limited by the fact that it sees the urban as playing only a secondary role in the competitiveness of a place: in theory, the creative city attracts economic actors who are workers, yet although their productivity is in this sense at the root of the development, it is as consumers that they are attracted to the place. In Florida, the seminal literature on development, the city is thought of as a productive agglomeration where workers are at the heart of competitiveness. The paradox of this theory is that workers are not attracted to the city as a productive agglomeration, but by the city as a place to live. Thus here the urban (rather than the creative) is considered to be the driver of the development. In contrast to innovation systems, the creative city approach thus marks a theoretical tipping point which has not yet resulted in a new paradigm: the conceptualization of the distinction between the supply and the demand for a city (or region).

1.2. Attractiveness of consumers and residents

In the urban and regional development patterns inherited from the industrial context, consumers are implicitly considered to be captives of the place in which they generate their income (or receive a
private or public annuity). Until recently, there was no need for a place to be attractive in order to capture consumer income: the development of Keynesianism allowed for local redistribution via employee spending. But with the increasing mobility of consumers and residents, the demand for "tourism" is growing in importance. Many cities and regions now base their development on income resulting from this demand. The potential market is indeed enormous, and is increasing alongside global growth and the purchasing power of the increasingly mobile population.

Historically, the productivity of only a few regions and cities depended on the attraction of non-local consumers to goods and services (mainly tourist resorts such as Bath or Brighton in England, Nice or Menton in France, or Interlaken or Montreux in the Alps (Guex, 2016, MIT, 2002)). Nowadays, tourists are no longer a minority, and those places whose development depends on extra-local demand for the place in addition to its demand as a living environment are increasing in number. In summary, two points should be stressed with regard to the current situation:

- Anybody who is mobile and has purchasing power can spend elsewhere and thus contribute to the development of a place through their act of consumption - and thereby detract from the region in which they generate their income, or receive their annuity.

- Geographically, today all cities and regions are involved; places are competing not only as productive agglomerations but also as living environments.

The development of attractiveness to consumers is a strategy that exists de facto for cities and regions; as noted by Judd & Fainstein (1999), American cities in the 1980s had already developed their tourism sites, specifically to counteract the effects of deindustrialization and suburbanization. This trend is observed in all types of cities, whether they are small, medium or large, including in former industrial cities and regions (Cameron, 2003; González, 2011; Markusen, 2007; Markusen & Schrock, 2009; Rey & Lufkin, 2015).

Theoretically, the main consequence is that the market areas (Christaller, 1955) no longer respond to a strictly expansive spatial and temporal logic. Spatially speaking, the fact that consumers are not captives of the place in which they generate their wealth turns the implicit assumptions made by the development models upside down. Production is no longer enough: incomes must become anchored to a particular place, which must therefore offer a certain quality of life. This raises the question of how to integrate external demand for cities and regions (on the part of tourists, new residents and, more generally, mobile consumers) into the development models. The general conceptualization of the export base theory (Hoyt, 1939, Sirkin, 1959, Tiebout, 1962) deems that any activity which generates export revenues encourages growth (at the city, region, or country level). In France, several authors have "revisited" the export base theory and taken into account these flows of export revenue which enter the regions through mobile consumers. Firstly, the research favored residents (the residential economy) (Ambiaud, Blanc, & Schmitt, 2004; Carlier et al., 2006; Davezies, 2009; Segessemann & Crevoisier, 2014; Talandier, 2010). Subsequently, it was the actual presence of consumers in the place which caught the researchers' attention (Ruault & Prouhlac, 2014; Talandier, 2013; Vollet, Aubert, Frère, Lépicier, & Truchet, 2014).

The majority of the research on this extra-local demand for places as living environments focuses on tourist expenditure (Archer, 1996; de la Mata & Llano-Verdurias, 2011; Fletcher, 1989; Lapeyronie, 2009; Lejour, 2006; Terrier, 2006; Vacher & Vye, 2011). This is probably due to the fact that most of the available data on mobile consumer spending relates primarily to tourists. However, most spending resulting from extra-local demand is not due exclusively to tourists, but also to other categories of consumers: for example, students (who spend their bursaries and/or their parents' income in the place where they study) (Vacher & Vye, 2012), secondary residents (Hall & Müller, 2004, Roca, 2016,
Sonderegger & Bätzing, 2015) and tourist shoppers (GfK, 2012) (especially in border areas), as well as pensioners and beneficiaries of other forms of annuity (Williams, King, Warnes, & Patterson, 2000). The concepts of amenity migration (Bourdeau, Daller, & Martin, 2012; Gosnell & Abrams, 2011; Lekies, Matarrita-Cascante, Schewe, & Winkler, 2015; Perlik, 2006, 2011; Taylor & Martin, 2001) and lifestyle migration (Benson, 2010, 2010) identify the phenomenon of consumer mobility over the long term: rather than staying in a place they choose for its quality of life for a limited period, people establish their permanent residence there.

From a socio-economic viewpoint, traditionally passive economic actors now play a role in development, especially because of their geographical mobility. In other words, many people who do not participate in the productive economy participate in the economy solely as consumers. Their economic importance arises from their geographical mobility, and this must now be translated into theory. This category of actors joins that of workers, who are also mobile (Segessemann, 2016).

As noted by Ruault & Prouhlac (2014), the research carried out in France on the residential economy and the presentential economy had the merit of revisiting the export base theory and highlighting the power of both public and private redistribution mechanisms on territorial economies. The assumption that worker–consumers are captive, which is implicit in the city and region development theories is, in fact, outdated. Talandier (2016) goes further and identifies the tensions and competition between certain types of populations within a region. She shows how, over time, the organization of the French territory has changed from an agricultural society to an industrial one, then to being typified by service jobs, before shifting decisively in the 2000’s to a metropolitan economy characterized by competition between agglomerations to capture spending. However, while she provides an explanatory framework from a macroeconomic viewpoint, she doesn't link it to territorial development theories or attempt to explain why one region develops in relation to another. In this paper, we link territorial development approaches to the findings of the French literature on the residential and presentential economy, proposing an analytical framework and an endogenous development model.

1.3. The disjunction of the accumulation of capital between the productive sector and the city

Marxian-inspired approaches, centred on the accumulation of capital, also change when taking into account the challenges posed by the post-industrial context. While Harvey's earlier writings (Harvey, 1974, 1978) distinguished between Circuits 1 and 2, which can largely be equated to the basic and induced activities of the export base theory, he and other critical authors now point out that cities (and some regions) are becoming places of autonomous accumulation, more and more disconnected from a traditional productive circuit. While real estate is the favored subject to research using these approaches, and the capital in question relates to investment flows, we are mostly concerned with the general problem raised by these authors: competition and the spatial division of consumption.

In these approaches, the integration of the city into globalization results in the accumulation of capital. In the post-Keynesian transition, the absorption of capital by the city challenges the gains made by Fordism in terms of redistribution, which results in an increase in inequalities in the space for the inhabitants. Smet (2015) decrypts this problem by focusing on real estate prices as an analytical variable. He constructs a typology of three types of place: places of production (dependent on the mobility of capital), places of consumption (dependent on mobility of income), and places of business services (dependent on the mobility of capital and income). For Smet, in many cases, the built environment is a partly or completely cultural commodity, the elements of a supply which is demanded by increasingly mobile consumers, for whom quality of life is of growing importance. Thus from a critical point of view, the city can be thought of as characterized by its production space and/or consumption space dimensions and in most cases is therefore no longer thought to be the result of a
strictly local accumulation. We note here that while cities are the main focus of research into this issue, all regions, including rural spaces, (e.g. the Alps (Perlik, 2006)) are affected.

When local workers’ spending is not implicitly deemed to be captive, i.e. when we take into consideration the demand for the place over and above the geographical link which this demand may have with the supply (generally industrial) for the same place, we make the assumption that there can be capitalization in the place independently of any investments in industry. The city or region can attract capital, e.g. through investors for whom the exchange value of that city or region is paramount, with the land and buildings representing financial assets. This demand is in addition to the demand from consumers and residents outside the area in question. For Smith (Smith & Williams, 2013; Smith, 2002), this type of demand is behind the phenomenon of gentrification. This demand has an impact on the urban construct and on the quality of the built environment, which can in turn influence attractiveness to consumers (either positively or negatively).

The financialization of the city, and its ability to attract capital, have inspired a considerable amount of literature in recent years (Aalbers, 2009, Aalbers, 2008, Aalbers & Christophers, 2014, Theurillat, 2011, 2016, Theurillat, Vera-Büchel, & Crevoisier, 2016). In this paper, however, we do not develop the issue of the circulation and accumulation of capital. Instead, we concentrate on the geographical disjunction which occurs firstly at the levels of activities and circuits/income flows.

We can thus see that the regional literature recognizes the growing importance of the new forms of integration of cities and regions into globalization for their development. On the one hand, the Schumpeterian or Keynesian-inspired literature on circuits, innovation and evolution focuses on the integration of regions into globalization from the point of view of production, knowledge, information and creativity. On the other hand, the flow of the presentational economy reflects the integration of regions into globalization from the point of view of consumption. Marxian-inspired approaches, centered on the accumulation of capital, are also beginning to consider, alongside the traditional productive sectors, new forms of development focused on an accumulation of capital that is fed by consumption.

In order to develop an analytical approach to these aspects, we base the following on Camagni’s (2005) idea of a distinct supply and demand for the city. We propose a typology of the place (of the city or the region) resulting from territorialized supply and demand, in the context of the globalization not only of production, but also of consumption. The idea is that urban development – and, more broadly, territorial development – and the demand thereof, involves considering a given space as being more than a support for traditional productive development. Camagni proposes seeing the city as a space of both functional and productive relationships and hierarchical distributive relationships. For him, there is a “relation étroite, logique et économique entre les localisations résidentielles et productives, la rente des sols, la demande d’interaction et de transport, la congestion du réseau de transport” [a "close, logical and economic relationship between residential and productive locations, land rent, demand for interaction and transport, congestion of the transportation system"] (1996, p. 14). Similarly, Albouy (2009) and Camagni, Capello, & Caragliu (2016) analyze urban productivity in terms of urban rent rather than income: rents crystallize urban value, which both concentrates the effects associated with exports and also results from external demand. The relationship to space presupposes a joint consideration of the challenges of production, the associated effects, and the challenges of consumption.
2. Typology of urban and regional income flows and activities.

In order to gain clarity in understanding these complex development processes in the post-industrial context, we propose a conceptual framework built around supply and demand. These various supplies and demands are found within the region or outside it in the form of market transactions (e.g. the sale of an industrial property or residence), non-monetarized transactions (e.g. contemplation of a landscape by a tourist) or transactions which are decommodified by the State (e.g. a local resident renting a subsidised apartment) (Figure 1).

![Figure 1: Typology of income flows and urban and regional economic activities. Source: Own.](image)

2.1. Type 1: "Manufacturing"

Type 1 is by far the most common focus of the literature with regard to supply. The region is integrated into globalization through the production of goods and services in situ and the export thereof. This sector includes not only traditional industrial activities, but also public and private knowledge intensive business services (KIBS). There are two main conceptualizations of this idea, the first of which includes models in which regional production systems bring together the key components of the value chain while competing with each other in an (inter)national market. Historically, these were theories about industrial districts (Marshall, 1970) or the poles of growth (Perroux, 1955). Today, they relate to *science parks* (Berry, 1998), *clusters* (Porter, 1998) or *creative cities* (Florida, 2005). The second approach to this includes models in which the value chain is organised, often by large businesses, on a wider scale. The spatial division of labor (Aydalot, 1985) explains how large businesses exploded in the spaces where they operated, in order to seek specialised labor resources where they were present at the best price. This resulted in a hierarchical and functional division of regions. Today, the *global production networks* (Coe, Dicken, & Hess, 2008) apply this system on a global scale and demonstrate how international production networks are organized within the value chain and facilitate the qualitative and quantitative mobilization of local resources in the service of a type of production which considers all possible locations from the outset. Of course, such a system is only feasible if the capital, businesses, knowledge and workers all have a certain degree of mobility, and if communications systems are efficient enough to allow the coordination of this globalized economy (Sassen, 1991).

Adam Smith (2009 [1776]) pointed out that the geographical and quantitative growth of the markets for goods and the transport of goods away from their places of production is always accompanied by a deepening of the spatial division of labor. However, few territorial development theories (with the
exception of Porter (1992)) truly problematize demand and its role as a stakeholder in the competitiveness of the city or region. In general, this demand is implicitly considered to absorb any "competitive" production (Jeannerat & Kebir, 2016).

2.2. Type 2: "Tourism"

Historically, extra-local demand for a place as a living environment has always been deemed to be crucial for the development of cities and regions that are particularly affected by consumer mobility: tourist regions. Nowadays, most regions are affected, and it is necessary to move beyond the narrow sense of leisure tourism as it has existed since the 19th century. Tourism demand today comes not only from tourists, but also new residents, students, annuitants, etc., i.e. all people spending in that location whose income is generated elsewhere (or at another territorial level). Through this new type of tourism, the region is part of the globalization of consumption. This demand is sensitive to prices, of course, but also to tangible and intangible urban amenities. Insofar as basic services (both residential and touristic) are relatively standardized across Western cities and regions (Judd & Fainstein, 1999), this is all the more important in enabling a place to differentiate itself from other places. Consumers will be willing to pay more for the same service (e.g. a hotel room) in a place with great landscape amenities, for example.

Attractiveness, which is a driver of development insofar as basic incomes enter the region via mobile consumers, is therefore based on the rarity of certain amenities that cannot be moved or replicated. The activities in question allow for in situ spending of income by external consumers. The tangible elements of this supply can include, for example, hotels, which, like the Type 1 companies, can be part of production networks that are deployed internationally. Real estate is also affected, as are other "presential" services (services that increase in situ expenditure, such as shops, museums, universities and training establishments and health infrastructures). In the case of "tourist resorts", this supply is created expressly for extra-local demand. In most cases, the elements which make up this supply were initially developed for the local population (public spaces, emblematic buildings, etc.) (Type 3, below).

2.3. Type 3: Local services

In the third type, local supply meets local demand. Consumers in this case have generated their income (or their fortune) or received their annuity locally. In the traditional development visions (Boschma & Lambooy, 1999, Hoyt, 1954, Moulaert & Sekia, 2003), these are the resulting multiplier flows of regional income. With the increasing mobility of consumers, the local multiplier effect is called into question, insofar as local people are able to increasingly consume elsewhere (and thus represent income leakage).

Furthermore, over and above the question of flows, qualitatively speaking, the presence of local people and their participation in various local activities (on a professional or private basis) can potentially contribute to local complexity, quality of life and attractiveness (shift to Type 2). Firstly, their presence can justify public investment in urban and environmental amenities. Secondly, by being involved, for example, in local sports or cultural associations, this population contributes to maintaining local traditions, thus strengthening the "authenticity" of the place.

Historically, this supply developed in correlation with the productive supply (Type 1): the export of goods made it possible to develop a local supply of services for the inhabitants (education, health, local shops, etc.). Yet the demonetarized or public nature of the supply in this case is put under pressure due to the influx of "tourists". This is the focus of critical researchers: the commodification of goods and services which were formerly de commodified.
These activities may be the subject of a complexity of circuits, representing externalities which lead to economies of location and then of urbanisation. Nevertheless, in the post-industrial context, synergies that can be created with the so-called "touristic" offer should be considered. Because of these synergies (see Section 3, below), this dimension of supply must be integrated into development models, although, in short, in the logic of the export base theory, it is concerned with domestic flows.

2.4. Type 4: Short circuits

In the fourth case, the supply includes activities for which production is not exported. Historically, this is the production that allows the place to be self-sufficient. With the Industrial Revolution and the gradual increase in the spatial division of labor, the market areas for businesses which produce everyday consumer goods have expanded considerably. The industrialization and subsequent globalization movements consisted of a shift in this type towards Type 1. Now, due to the consequences of deindustrialization, and also to environmental pressure, this type of local supply is developing in Western countries by way of an alternative to exports (Rutland & O’Hagan, 2007). The agricultural (Aubry & Kebir, 2013, Deverre & Lamine, 2010, Hinrichs, 2000), artisanal (Sasaki, 2010) and energy production (Farhangi, 2010, Huguenin & Jeannerat, undated) sectors are especially affected (Neirotti, De Marco, Cagliano, Mangano, & Scorrano, 2014).

This last type exists in the post-industrial context, with high mobility of goods, services, and a large spatial division of labor, in a context in which consumers do not only consume local products because they are captives of this place. For example, in the case of food deserts in some urban areas (Gordon et al., 2011, Reisig & Hobbiss 2000, Wrigley, 2002), the captivity of the inhabitants necessitates the consumption of standardized food produced outside the local space, while local production will be favored in the gentrified districts. Insofar as the purchasing power of the consumers of this type of product is located at the place of production, the attraction of residents to such products residents is all the more crucial for cities and regions. While the production associated with this demand is still generally low, it has great potential for quantitative development, and to a certain extent is only relatively limited by pricing issues.

Within this movement to return to a local production–consumption dynamic, insofar as production costs are often uncompetitive, socio-environmental values, in particular those associated with the place in question (sustainability, terroir, support for local businesses etc.) are key. In theory, demand is not sensitive to price, but it is particularly sensitive to these values: despite a global supply of products, this demand shows a preference for local production (specialized goods and services). Due to this qualitative dimension, this supply dimension must now be integrated into development models, although in terms of income, the flow dynamic is domestic in this case. Interest in this dimension of supply is reflected in the current research on transition economics and sustainable innovations (Kebir, Crevoisier, Costa, & Peyrache-Gadeau, 2017).

3. Local milieus as part of post-industrial globalization

Whether it is to export goods outside the region, to attract consumers and external residents, or to fix local in situ spending and develop short circuits, the city/region must provide amenities and externalities that are competitive with regard to other places, both from the point of view of innovation in the productive sector and the quality of life of local and external consumers.

Schematically, since the Industrial Revolution, the spatial division of labor has led to a specialization of cities/regions in relation to each other, with varying industrial, touristic or, more rarely, self-
sufficient profiles. Geographically, within the cities and regions, the production areas (Type 1) and residential and urban areas resulting from this production (Type 3) were interdependent, but often distinct. Today, integration into globalization is increasingly occurring through competition between cities/regions to capture consumption. In the post-industrial context, transactions with the rest of the world are thus more diversified and affect both the mobility of goods and services and the mobility of consumers and certain residents.

In short, in the industrial context, urbanization occurs downstream of the income generated by the industry via the local income multiplier. In the post-industrial context, urbanization responds to more diversified, local and extra-local demands. This increased complexity creates synergies and tensions at the heart of the system. In this sense, the concept of *local post-industrial milieu* comes to mean the more or less successful cooperation between the various actors (companies, public authorities, diverse populations, associations, etc.) in a place. This "milieu" is in continuity, but also in breach of the traditional "innovative milieu", because it must also take account of transactions intended for the local market, whether they are monetary or non-monetary in nature. Below, we address the dynamics or, more precisely, the internal tensions and synergies in the regions, which result from their more or less successful integration into post-industrial globalization.

### 3.1. Tensions stemming from post-industrial globalization

What are the main tensions generated by consumer mobility? In many cities, industrial activities have been crowded out by the land pricing mechanism, as office space or "tourist" activities (dedicated to all types of non-local consumers; see Section 2.2) are much more profitable. This can have an impact on the diversity of productive activities and on their long-term competitiveness.

From a social point of view, the productive sector (industry, financial services, knowledge intensive services, etc.) has been largely restructured over the last forty years in European countries. It generates relatively high-income jobs, while the growing personal services sector, which is linked to the residential and presential economy, more often generates low-paid and feminized jobs (gig-economy, uberization, etc.) (Gibson, 2009).

However, the main tensions generated by post-industrial globalization are the differences between residents, consumers and mobile residents (Giraud, 2015). These tensions take very different forms. For example, gentrification (Smith & Williams, 2013; Smith, 2002) leads to crowding-out effects and certain categories of resident. The friction between tourists and residents is also increasingly strong in some places that have developed a so-called residential and presential economy, such as Berlin or Barcelona. Some tourist resorts or city centres in large metropolitan areas such as London, Paris or New York are seeing many apartments bought as second homes or investments, thereby putting pressure on the housing market while weakening local commerce.

### 3.2. Synergies

As far as synergies are concerned, various activities performed by the place as a productive agglomeration and as a living environment can converge to constitute a broader, more diversified, competitive and attractive supply. This overall attractiveness is particularly noticeable for "tourist" activities: goods and services can be sold in the form of a "destination" (Murphy, Pritchard & Smith, 2000). The concept of a "territorial basket of goods" (Pecqueur, 2001) also reflects the overall attractiveness of a place resulting from strong complementarities between tourism services and local
production, particularly in the agro-food and artisanal sectors. For example, industrial or research activities can generate significant business tourism, insofar as a local supply of “tourist” services exists.

When a supply responds to a double local and extra-local demand, it can also be called a synergy. For example, investments made in sports activities can meet local demand but also partially meet a demand from external consumers. This additional supply may allow for increased revenues, but also a broader, more specialized and, therefore, globally more attractive supply. Conversely, infrastructures built on account of external demand, such as a convention center, can satisfy a local demand.

Over and above the monetary flows, from a social and environmental point of view, the city or region can move towards putting in place a set of services and infrastructures that make up a system: coordinated and relatively comprehensive development can stimulate the development of the place as a productive agglomeration and as a living environment. This leads to an attractive level of services and a higher standard of living.

3.3. Development and local post-industrial milieus

The milieus approach (Aydalot, 1986; Camagni & Crevoisier, 2000; Kebir et al., 2017; Kebir & Crevoisier, 2004; Maillat, 2006) was initially developed in order to explain how and why some regions were able to re-develop following the structural crises of the 1970s, while others were experiencing a sharp decline. Innovative milieus, in this context, described a region's ability to position itself, to integrate itself into the globalization of this era, based, in essence, on a new spatial division of labor. Post-industrial globalization is also based on the spatial division of consumption. With this additional economic function, a new complexity develops in conjunction with activities, which are traditionally regarded as being induced or domestic within the region. Consequently, the local post-industrial milieu now conveys the local collective capacity to manage the tensions and make use of the synergies resulting from the integration of the region into different forms of globalization. In other words, the milieu stages the place (Guex, 2015), in a coordinated way, as a productive agglomeration and as a living environment. The environment can be defined as all the actors who collectively imagine and implement solutions that create synergies and resolve tensions between activities and between local and extra-local populations.

From this point of view, the following hypothesis can be formulated: the places which manage to organize the co-presences of the activities (specific to the city as a productive agglomeration and as a living environment) and populations (local and extra-local) are those which experience economic development without compromising local resources and local living and production conditions. Local post-industrial milieus will therefore orient the city or the region towards reclassification or obsolescence (of its products and services, public and private spaces, buildings and infrastructures). This adaptation between movements in demand and variations in urban supply over time presents a particular complexity for cities. Indeed, the urban context, particularly in its built and real estate dimension, is rigid and not at all elastic. Renewal of the supply poses major challenges in terms of resilience and path dependency (Boschma, 2014). This results in rapid price changes that lead to rent effects for property owners.

Gentrification, a phenomenon that has occurred over the last 20 years, is an example of this: a fall in the value of neighborhoods dedicated mainly to industrial production leads to the reclassification of certain activities and presences, such as artistic and alternative activities. Changes in the reputation of the place may take place, leading to investments and to inflows of new residents who may eventually reject the activities that set the value of the neighborhood. This sequence is by no means automatic, but depends on the capacity of the local post-industrial milieu to respond to new demands, encourage
the emergence of regenerative activities, and organize presences and activities in order to take advantage of price increases to make investments while preserving a certain diversity.

More recently, the explosion of tourist activities and real estate investment in certain urban centers and some resorts is causing significant tensions. Cities such as Berlin or Barcelona are seeing an influx of tourists and residents who compromise the living conditions of the inhabitants. In others, like Venice, tourism is leading to increases in rent prices and congestion, so that the original inhabitants move out and more and more of the services available are developed exclusively for tourists. Generally speaking, those places which have difficulty managing the tensions associated with the increase in rent compromise their attractiveness.

Thus the local post-industrial milieu should be able to facilitate investments in densification and complexity without, however, jeopardizing the attractiveness of the region (or the city) or compromising the living environment (rising property prices, increasing density, etc.) for inhabitants. In order to do this, the milieu must take into account the different types of transactions at work, whether they are market, non-monetarised or decommodified transactions, and succeed in maintaining them as a whole along with their complementarities. Indeed, in an economy based on consumption, the enjoyment of a landscape or the spectacle of urban life is part of the attractiveness of the place. The local milieu thus has the function of maintaining and evolving this set of transactions, including by ensuring the necessary cash transfers to ensure the renewal of resources and amenities/externalities (Figure 2).

![Figure 2: Local post-industrial milieus and integration into post-industrial globalization. Source: Own.](image)

**Conclusion**

In keeping with the perspective first put forward by Talandier (Talandier, 2016; Talandier, Jousseauame, & Nicot, 2016), this paper argues in favour of a resolutely post-industrial approach to regional and urban development, taking into account not just industrial competitiveness but also attractiveness to consumers, from the point of view of flows and circuits. This approach, in terms of the supply and demand for a place, makes it possible to jointly embrace these different flows and activities through their relationship to the territory. Taking into account (a) the importance of the
city/region as a place of expenditure for external consumers, (b) the living environment from an economic point of view, and (c) the existence of various demands for the place, the city or region, as a complex system, now plays an increased role in development. Public spaces and infrastructure play a key role. Indeed, demand – whether local or extra-local – can be sensitive to such amenities. It remains to be seen how these complementarities are organised and how this competition regulates itself in the urban/regional space. The hypothesis that a broader milieu exists, which is capable of managing the consistency of these transactions over the long term, is still to be documented. Similarly, we need to understand the innovations by which local post-industrial milieus succeed in creating an advantage in terms of attractiveness without degrading the living conditions of the local inhabitants or the competitive advantages of local businesses.

Competitiveness-based approaches to regional development use traditional industrial indicators to reflect the level of development of a region: export revenues, market shares, number of patents filed, etc. Attractiveness factors should also be taken into account. According to Camagni (2005), the level of rent does not reflect the capacity of the local space to house workers but is rather a global indicator of the competitiveness/attractiveness of a city/region.

In keeping with the logic of the residential and presentational economy, territorial development policies may be considered wrong to neglect the importance of these sectors. Indeed, many – not always highly skilled – jobs have been created through these activities over the last 20 years, and today these represent a large proportion of local economies. Even small improvements in productivity in these sectors have considerable effects in terms of local welfare, and probably also for the attractiveness of the city/region.

Similarly, with regard to the milieu, it is necessary to remain attentive to the non-monetary and de commodified transactions within the city/region. The way in which they contribute to the construction of economic value, and therefore to competitiveness/attractiveness, is considerably increased in a world marked by consumer mobility. Indeed, cultural and social components, as well as public spaces, environmental quality, etc., are no longer downstream of competitiveness, but contribute directly to it.

Finally, this paper suggests that the main avenues of territorial development over the next few years lie in the combination of the typologies identified above: how tourism in the broad sense combines with industry (e.g. by highlighting its "experiential" content), how industry is renewed by supplying local circuits (for example by developing integrated urban systems in the areas of energy supply or logistics), how these circuits contribute to residential attractiveness (for example, by improving the proximity or "authenticity" component), and finally how local populations and activities contribute to this set of relationships with elsewhere.

Bibliography


The Center for Regional Economic Development (CRED) is an interdisciplinary hub for the scientific analysis of questions of regional economic development. The Center encompasses an association of scientists dedicated to examining regional development from an economic, geographic and business perspective.

Contact of the authors:

Delphine Guex
University of Bern
Hallerstrasse 12
CH-3012 Bern
Telephone: +41 31 631 85 56
Email: delphine.guex@giub.unibe.ch

Olivier Crevoisier
University of Neuchâtel
Faubourg de l’Hôpital 27
CH-2000 Neuchâtel
Telephone: +41 32 718 14 74
Email: Olivier.crevoisier@giub.unibe.ch

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