

Western society could be considered today as a victim of its own modernity. Its legacy has been to enable its members to accumulate material goods at an unbridled pace, but more significantly to increase their life expectancy through the successful control of food supply and medical progress. However, the economic, social and political systems that have given rise to this quality of life are now starting to undermine the phenomenon- which is still viewed as positive- to the point of leading humanity to destruction if not stopped in time. The West is unaware that it will necessarily be affected by the global breakdown that it has caused because for the moment its impact is felt first and foremost by the least well-off members of society, both here and elsewhere.

The end of one economic model and the emergence of another?

The huge increase in the consumption of material goods that characterised the last century appeared to provide meaning to the lives of those who had access to or were interested in owning such goods. This phase of development, however, looks certain to have reached its climax.

Indeed, the consumer economy, which has developed to such a point as to become an end in itself rather than a means of individual fulfilment, was founded on a cheap, abundant energy supply, and will be profoundly changed in the decades to come by measures to combat climate change already in urgent need of implementation.

Certain initiators of the sustainable development concept believe that growth will be the motor for change in the market economy- at least if it is pointed in a new direction. Others call into question the very idea of growth, having increasing recourse to catastrophe theories as natural risks loom ever larger.

This said, according to its advocates 'sustainable growth' is not tantamount to negative growth. It should be based on a low energy-consuming economy that limits the use of non-renewable energies to a minimum and makes moderate use of natural resources. It promotes the traceability of products and services and seeks to limit the effects on health of agricultural, chemical and industrial processes.

1/ Using market mechanisms as a springboard for promoting sustainable development

Reducing the energy vulnerability of local areas and creating new jobs and markets

It appears essential to reduce the vulnerability of local areas in the face of future energy and climate change through the creation of scenarios that anticipate the sectoral changes in local economies that arise from the implementation of greenhouse gas reduction measures. For example, certain regions of France will be affected negatively, particularly those that are highly reliant on fossil fuels and have industries that consume large quantities of CO₂-emitting energies. Conversely, other areas stand to benefit, particularly those that have implemented forward-looking policies, such as those oriented towards energy efficiency, demand-side management, promotion of renewable energies and use of local construction materials.

OECD studies of the impact on employment of policies designed to mitigate the repercussions of climate change conclude that their cost would fluctuate at around 1% or less of GDP and that the reallocation of labour will have affected around 0.2% of the total labour force by 2010.

As far as Europe is concerned, most of the studies conclude that measures combating climate change will have a positive influence on employment. The European Commission's White Paper estimates that by 2010 a total of 500,000 jobs will have been created directly in the EU and 400,000 indirectly by the renewable energies sector.

In France, according to research conducted by IFEN (the French Institute for the Environment) on potential job creation from renewable energies the estimate is for 115,400 new jobs in 2010, compared with 38,900 today. The DSM (demand side management) benefits for the building and public works sector have yet to be measured.

Promotion of local marketing

To be truly efficient an area needs to aim for efficiency both in its own right, which is a matter of competitiveness, and also in relation to other areas, which is a question of attractiveness.

To be attractive an area needs to appeal to its premium talent, both to keep it in the area but also, in so doing, to attract additional talent from elsewhere.

In this era of globalisation the attractiveness of a company tied to a specific area lies- over and above considerations of business competitiveness- in the quality of its surrounding natural and urban environment, the level of pollution control (of noise, water, air, ground pollution etc.), the preservation of local culture and the quality of services (hospitals, childcare facilities, broadband, etc.). Such factors can be a draw for management grade employees and give local businesses a positive image.

In the future, local attractiveness will also depend on other issues, which are linked to an area's intrinsic competitiveness. One such issue is energy. To understand the implications of this, it should be borne in mind that one percentage point of GDP in the USA represents twice as much energy as one percentage point of GDP in Europe, and that 20% of the US budget is devoted to transport costs, compared with 10% in Europe. Here again, in a context of expensive energy, it is the most energy-efficient areas that will be the high performers of tomorrow.

2/ Recognising the limitations of an unregulated global economy

Rapid globalisation, as championed by elites of free market converts, leads first and foremost to a sort of relocation of the economy in which time is valued over space. It is no longer physical proximity to consumers that counts but distance-time ratios, accessibility and connectivity to communications and trade networks. This relocation is only one aspect of a broader dematerialisation that is affecting western society. It is accompanied by a commodification of the world and an unprecedented level of trade in goods and services across the whole planet that benefits the most developed countries in particular.

Refocusing economic policies on local areas to create unrelatable jobs

The main disadvantage of the global economy lies in the quest for comparative advantage between businesses and between states, which very often induces them to refuse to assume those environmental, social and cultural costs- sometimes deferred in space and time- that are regarded as a cost rather than a benefit to society as a whole.

This economic strategy therefore encourages decision makers to externalise costs by seeking the least expensive solution socially and environmentally and to favour short-term profitability over the development of equity in space and time advocated in the sustainable

development concept. The result of this locally is the development of policies focusing on local competitiveness and attractiveness, which stem in particular from increased mobility and fluidity. The aim for decision makers is to increase the speed and fluidity of flows of capital, goods and people in their areas (by financing transport infrastructures, for example) in the hope of harvesting the revenues generated by increases in trade.

While there is no doubt that the success encountered by these economic policies should be applauded- at least in the case of developed countries- it seems indispensable to pay closer attention, in parallel with policies on international competition, to local economic development.

Indeed, local economies- which derive a large part of their resources from the local generation and spending of wealth- make it possible firstly to combat the social segregation generated by an unregulated market economy thanks to the creation of jobs that are little prone to relocation, and secondly to reduce current threats to the climate through the associated decrease in flows. New local growth should therefore be based, at least partly, on the development of a 'circular' economy that promotes local economic loops.

Developing the inter-area cooperative advantage

In dealing with sustainable development issues it is crucial, as quickly as possible, to initiate a process that leads to a gradual reduction in or even complete abandonment of a flow economy founded on greenhouse gas-emitting energies. This reduction will necessarily require the drawing-up of a new local development policy focused on job creation and competitiveness. This process should be integrated into government policies, which would support and complement the strategies already pursued by many large French companies.

Europe, the inventor of the western development model, was at the heart of the previous movement. This model, which was based on the harnessing of the planet through technology, has led to interconnectivity between all parts of the world. During this period France was able to lay claim to a universalisation of its values through revolution, nation-building and colonisation.

Today it is the role of Europe as a whole and France in particular, with its universalistic ambitions, to offer a new economic paradigm based on the sharing of the common good that is the earth and on cultural diversity, fuelled by the respect of human rights and environmental and social rights and duties. Our society, which has long been a prisoner to materialism, positivism and scientism, now needs to uphold the principle of cooperative advantage between regions and peoples, in accordance with the fundamental objectives of sustainable development.

Gilles Pennequin
Responsible for Sustainable Development
Inter-ministerial delegation for regional planning and competitiveness