

Commented bibliography

VICENT ANTÓN

JOAN MIQUEL HERNÁNDEZ

SANTI ANDORRÀ

ADRIANA DELGADO

DANIEL JORDÀ

MODEST GUINJOAN

We asked six experts in economics and business to comment some new books on economics. Josep Oliver's book deals with growth factors in the Catalan economy. Marta Marsé, Núria Juan and Tomàs Megía analysed the effects of the crisis in the housing auxiliary industry, while Pankaj Ghemawat and Xavier Vives introduce a study on competitiveness in Catalonia. *Competir en tiempos de cambios. Nuevas reglas y el papel de la innovación* is the eleventh volume on economy published by Fundación de la Innovación Bankinter, and Francesc Cabana, in *La cultura de la cobdícia*, looks into the causes of the crisis in Catalonia. This block closes with the presentation of the *Futuribles* magazine published by the Paris-based prospective studies and thought centre on the contemporary world bearing the same name.



JOSEP OLIVER I ALONSO. *Els factors de creixement de la indústria catalana 1995-2005: canvi tècnic i productivitat del capital i del treball.*

Coll. «Papers d'Economia Industrial», 27. Barcelona: Observatori de Prospectiva Industrial, 2009.

<http://www.gencat.cat/diue/serveis/publicacions/empresa/papers/index.html>

Recension by VICENT ANTÓN

This issue by the Observatori de Prospectiva Industrial (Observatory of Industrial Propection) of the Department of Innovation, Universities and Enterprise of the Government of Catalonia deals with productivity of the Catalan industry, the design of appropriate policies to foster it and the importance of adequately measuring productivity growth in the different industrial sectors in Catalonia. Information and communication technologies (ICT) are paid special attention in this study as ICT investment has a direct effect on average labour productivity growth. The focus is also set on phenomena like progressive loss of relevance by the industrial sector, increased international competition (particularly in the goods market), increasing relevance of relocation processes, a shift in intensity and the final destination of **direct foreign investment (DFI)**, especially in the manufacturing industry, as well as the impact of relocation on the production structure.

The first part of the study shows the results of segregation of the industrial and energy **gross added value (GAV)** growth in Catalonia into its different components. The first chapter introduces a wide range of functions and statistic sources used for analysis of total industrial GAV growth sources, the different subsectors and average labour productivity.

The second chapter looks into the main causes for the recovery in productivity in the United States from 1995, especially the role some authors give to new technologies. It further deals with the main results of breaking down aggregated manufacturing and energy GAV growth, the role of the different production

inputs and especially that of change in its quantity and quality. It also refers to total productivity of factors.

The third chapter, «Growth of productivity in the Catalan industrial branches, 1995-2005», shows the results of the different subsectors into which the whole industry and energy sectors have been divided. This division has been made by taking together the **Spanish Regional Accounting** sectors by capital ICT-related intensity and labour quality.

The fourth chapter, «Productivity growth per hour and its reasons», features the result from taking the increase in hours worked out of GAV growth. Thus GAV variations derived from the increase in hours worked and the increase in productivity/hour are taken out and the breakdown of variations in labour productivity is analysed. Referring to hours worked and productivity per hour in GAV growth throughout the 1995-2005 period, the quantitative increase of labour (in hours, without weighing its quality) created two thirds of the total industrial and energy GAV growth, i.e. 1.49 percentage points, whereas growth in productivity/hour generated 0.89 percentage points of the total, the remaining third.

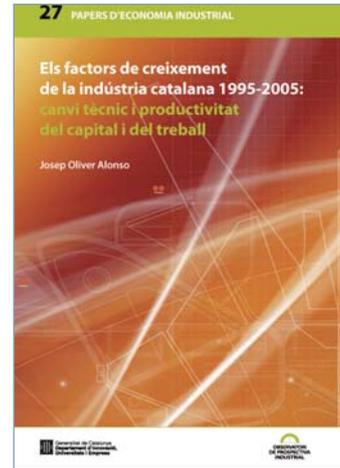
In the second part of the study, chapters five and six look into the productive capital series, out of which capital services are generated: technical structures and facilities, ICT equipment, transport items, etc. These services are eventually part of the production process and explain GAV growth in the sector.

The fifth chapter deals with industrial investment, gross capital and productive capital in Catalonia in the 1984-2005 period. Also, temporary change and the product and branch-related composition of Catalan industrial investment are analysed. In the first part of this chapter, the dynamics and the shift in composition by products and branches of Catalan industrial investment in the 1984-2005 period are looked into. Changes in the internal investment structure, which are especially relevant to

understand the sources of growth in the Catalan industry, are analysed since there are changes in its quality together with capital increase. The differing development in investment in the different sectors provides information on which of them have been most capitalised in the last years and thus which are expected to grow most in productivity. The second part of this chapter presents the results obtained from the productive capital estimate of the different assets with their respective aggregates. Volume growth series of capital services are also introduced.

The sixth chapter deals with the increasing formal qualification level of workforce, progressive inclusion of women into the industrial fabric and qualification changes at the working place. All these aspects have an influence in the volume of labour input services: experience (at the working place or in the labour market), sort of contract (temporary or open-ended) and job position determine the capacity of creating income out of the labour factor.

The interpretation suggested by the process of change in the Catalan industry in the last fifteen or twenty years, especially since the turn of the century, is quite optimistic in the medium and long term. Although the conclusions that can be inferred are very cautious, it is true that the information appearing points



towards continuous improvement along the right direction. The Catalan industry has strengthened structural change in allocations and the quality of factors, which became obvious in the second half of the 1990s, thanks to which it is considerably better prepared to tackle increasing international competition than at any point in the recent past.

The history of the Catalan industry in the last ten years is the reflection of realignment of sectors, workforce and capital services. Three facts confirm this: increasing relevance of quality of labour services in both GAV growth and labour productivity; importance of capital services in their contribution to GAV and in productivity growth; and increasing intensity of capital as compared to worked hours in recent years.



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MARTA MARSÉ, NÚRIA JUAN & TOMÀS MEGÍA. *Repercussions de la crisi de la construcció en la indústria auxiliar de l'habitatge.*

Les diagnosis de l'Observatori de Prospectiva Industrial, 2. Barcelona: Departament d'Innovació, Universitats i Empresa, Generalitat de Catalunya, 2009

http://www.gencat.cat/diue/doc/doc_72096702_1.pdf

Recension by JOAN MIQUEL HERNÁNDEZ

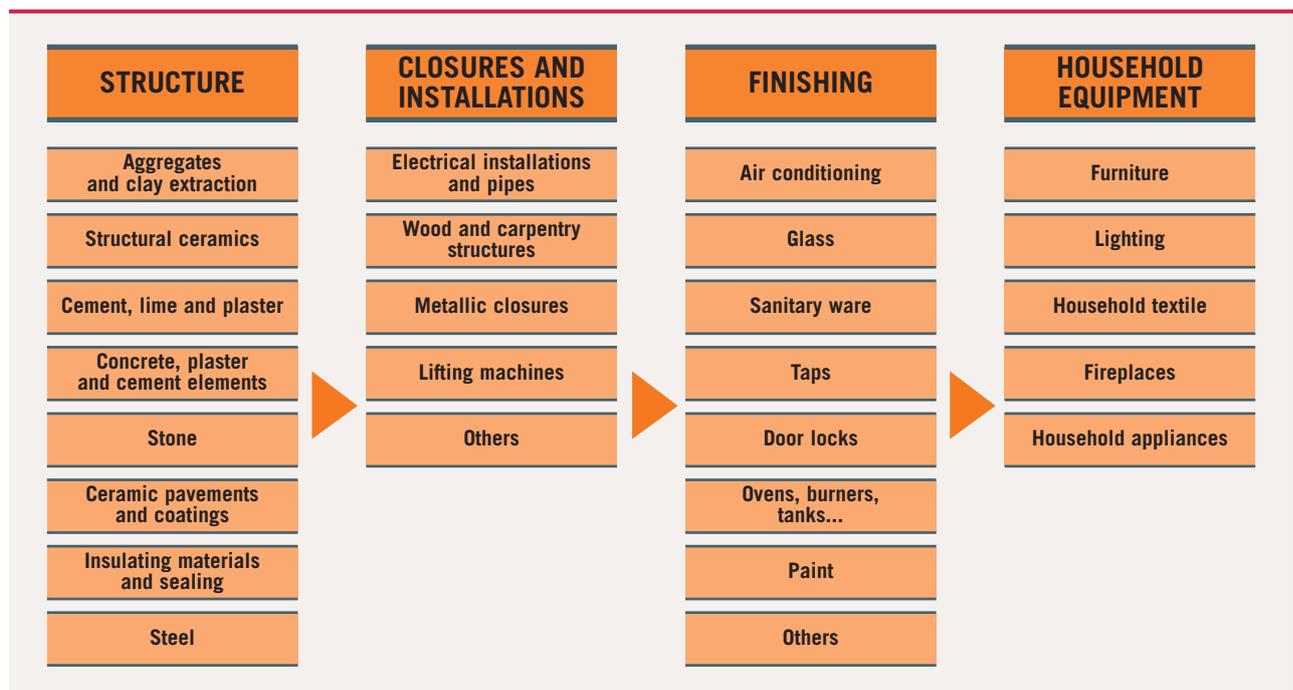
It is obvious that the building industry is undergoing a very deep crisis. What not everybody is aware of is the impact this situation has had and still has in the industry, particularly in companies dealing with building material manufacturing and housing equipment. This impact has been assessed by the piece of research done by the **Observatori de Prospectiva Industrial** (Observatory of Industrial Propection) under the authorship of Marta Marsé, Núria Juan and Tomàs Megía, making a very innovative approach as it looks into the repercussions of the real estate crisis on companies from very

different sectors that are part of one same market segment but are not usually considered together.

The cycle characterised by the building boom reached its ceiling in Catalonia and in Spain and the real estate market has collapsed, as all available indicators show, experiencing negative double-digit rates (housing units started, housing sales, cement consumption, mortgages on real estate, etc.). Within this context, all prospective analysis variables indicate a 60-70% reduction of residential building activity, which is in line with real housing needs. The 2009-2011 Euro-construct report estimates that in Spain, the number of housing units started in 2009 will be only 27% of the 2006 rate. According to the work by Marsé, Juan and Megía, industrial activity related with housing and non-residential building encompasses quite a wide range of activities participating in the building cycle at different stages, as chart 1 shows.

These four segments amount to a total 7000 companies that used to employ 89,000 people

Chart 1. Segmentation of the housing auxiliary industry



Source: own

and generated over an €18.3 billion turnover before the crisis, a very significant figure when considering that the automotive industry (manufacturers and components) makes a €14.7 billion turnover in Catalonia. Companies working with structure (the first phase in the building process) concentrate 43% of turnover in the industry, those doing closures and installations (second phase) 30%, those doing finishing (third phase) 15% and finally those working in household equipment (fourth stage) amount to 12% of total turnover.

After some exhaustive fieldwork during which numerous companies, representative organisations and branch experts were interviewed, the authors of the report came to the conclusion that all these branches will reduce their activity by a range between 30% and 70%, mainly based on housing building, the execution stage of works and their embedding in the local market, which will mean a loss of 37,000 to 42,000 jobs and a turnover reduction between €8 and 9.5 billion in the whole industry, as can be seen on chart 2.



Unfortunately, these figures are very significant and conclusions straightforward, but the authors of the book explain that the different diversification potentialities also modulate the strength of the impact.

As regards basic structure activities, the opportunity is diversification towards non-residential and civil engineering, as exporting has

Chart 2. Qualitative impact of the building industry in its auxiliary sector

	Basic structure	Closures and installations	Structural finishing	Household equipment
Year of strong adjustment	2008-2009	2009	2009	2009
% cut*	50%-70%	40%	40%	30%
Start of recovery (hypothesis)	2010-2011	2011-2012	2011-2012	2011
«Exposed» employees	14,187-19,861	11,925	5,986	4,654
«Exposed» turnover volume (million euros)	3,972-5,560	2,198	1,121	620
Potential diversification towards refurbishing	▲	▲▲	▲▲▲	▲▲▲
Potential diversification towards civil engineering	▲▲▲	▲	▲	—
Potential diversification towards non-residential	▲▲▲	▲▲▲	▲▲▲	▲▲
Export potential	▲	▲	▲▲	▲▲▲

* Estimates according to information from interviews and branch experts, based on the peak in the branch.

limitations based on the sort of products and transport costs. The installations, finishing and household equipment segments could diversify towards refurbishing easier than basic structures. Household equipment and some parts of finishing like taps have a much higher export potential than some basic structure activities, in which proximity is a key point for competitiveness. However, there is no room for civil engineering but some in non-residential building.

According to the authors, it is also important to bear in mind that some of the big shortcomings in the building industry is innovation, and the current situation needs to be used to go along this path, since the boom experienced in recent years only set aside innovating initiatives for the benefit of quick profit.

As regards innovation, there is much to be done in areas like building self-sufficient, environmentally sustainable housing (energy optimisation),

increasing customisation (thinking of end user needs), using easy-to-install materials, increasing the use of prefabricates and subsystems and industrialising the building process even more, together with other examples described in detail in the book featuring the conclusions of the authors' paper.

This piece of research is definitely convenient as the impact of the building crisis on its dependant industry had never been assessed before, and the decision to publish it has been courageous because presenting to the public such harsh conclusions as the ones drawn from this work is not easy. Yet the people in charge at the Secretariat of Industry and Enterprise wished to do it as they believe that there is no point in hiding the truth and also because they want to provide the society with the information they have, not only to show their concern about the situation but also to start working in solving these problems. We shall be grateful for that.

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He has published numerous articles on economic analysis, industrial economy and cluster policy in specialised magazines. He is the author or coauthor of the books *Estructura industrial de Catalunya*, *Canvi estratègic i clústers*, *Les multinacionals industrials catalanes*, *Les empreses gasela a Catalunya*, *Mapa dels sistemes productius locals a Catalunya* and *Directius catalans al món*, among others.



PANKAJ GHEMAWAT & XAVIER VIVES. *Competitivitat a Catalunya*.

Barcelona: IESE & Foment del Treball, 2009

<http://www.foment.com/docs/CompetitivitatCatalunyaCAT.pdf>

Recension by SANTI ANDORRÀ

The IESE business school, in collaboration with the Foment del Treball employers' organisation, has elaborated this report alerting of progressive productivity loss of the Catalan economy in the last decade despite GDP increase. It also looks into the impact of globalisation and the current crisis on the Catalan business fabric.

During the last three years, the European Central Bank (ECB) had a low interest rate policy while the inflation rate in Catalonia was above the European average, fostering a real estate bubble. This came with a strong migration wave that took many of the jobs created by 2007.

In Catalonia, the relevance of the public sector is much lower than the Spanish average, and there is chronic lack of public investment, both regarding budget and implementation of works.

Despite this situation, Catalonia had an average 3% growth during the 2000-2007 period thanks to job creation and consumption, but in no case due to an increase in productivity, which grew at a notably slow pace compared with other EU countries. One reason given in the study is low expenditure in innovation.

The Catalan business fabric is predominantly made of small and medium-sized enterprises (SMEs) and characterised by its scarce innovation capacity and a low number of registered patents. Most innovation done at SMEs is in processes and only big companies are able to have true innovation policies.

The study states that many big companies receiving subsidies would also invest in R&D even if they were not subsidised. Contrarily, a



significant number of companies does not take advantage of tax allowances in their field of innovation because they are not aware of it or due to the excessive paperwork involved.

Nevertheless, the analysis of any branch with low technology intensity reveals other mechanisms improving productivity apart from innovation. This improvement can be included into the renewal concept.

Among mechanisms included in renewal, the authors identify reaching an efficient scale, solving internal shortcomings and replicating innovation developed by others.

It thus needs to be considered that for most of Catalan companies, it is more feasible to take action in renewal quicker and with more chances of success than in innovation.

Nevertheless, Catalonia's industrial landscape after the crisis will be different from what we know today, and even so, business management will need to change in order to have improved and increased productivity as a main goal.

Competitiveness of companies is subject to the competitiveness of the territory where they are located. Catalonia has strengths but also weaknesses that can be overcome if the right decisions

are taken to do structural change (justice, housing rental market, labour market, pension system, service competition, etc.). The Spanish government has the jurisdiction to implement this change and it needs to take the current crisis to do it.

Catalonia needs to take advantage of its industrial tradition as a driver of productivity, it needs to create the infrastructure it needs, foster education, encourage internationalisation and competition and keep governmental action simple and open for incentives.

The authors give a set of recommendations for the Government of Catalonia, according to its jurisdiction. Some are general and some others more specific.

The study concludes that productivity growth does not need to originate in scientific innovation only. On the one side, companies need to be aware of process, service and strategic innovation; on the other, it needs to be accepted that innovation is not the only mechanism to improve productivity, especially for SMEs, which can also do it by means of renewal.

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He has codirected the financial and accounting area of the Emán publishing house (Mexico).



Competir en tiempos de cambios. Nuevas reglas y el papel de la innovación. Madrid: Fundación de la Innovación Bankinter, 11, 2009.

<http://www.fundacionbankinter.org/es/publications/competing-in-challenging-times>

Recension by ADRIANA DELGADO

Competir en tiempos de cambios. Nuevas reglas y el papel de la innovación is a publication by the Fundación de la Innovación Bankinter in collaboration with Accenture, following an analysis by international experts from the **Future Trends Forum (FTF)** programme.

The publication looks into the impact of the crisis on the evolution of capitalism, how a new multipolar world order is established, characterised by a higher relevance of emerging economies and the new rules of the game that will direct the market dynamics. Likewise, it deals with new societal values demanding deeper international collaboration in the national and global order and a new way of doing things, at both personal and professional level.

Volume 11 tackles this new multipolarity from five perspectives: globalised trade, international capital movements, human capital, sustainability and innovation.

The first part concentrates on the macroeconomic perspective, after which it looks into the rules that shall allow companies to tackle the global situation successfully, making a difference between companies in developed and in emerging countries. The third part explains the situation in Spain in each of the five mentioned areas, and rules Spanish companies should follow are specified. *Competir en tiempos de cambios* gives understandable explanations for the public and uses numerous real examples providing the reader with plain conclusions from the analysis.

The crisis and other features of current times pose challenges that need to be tackled, like scarcity of resources and ageing of the population.



The study discusses governmental intervention and the need for regulating finance markets. In the light of the crisis, it talks of remaking capitalism as a palliative, but it cannot be done the same way in emerging countries as in developed ones.

This difference is vital for companies, which will need to adapt business models to cater for the different sorts of consumers if they wish to be successful in both markets. As to power structures in the new multipolar framework, the study considers that there is no need to create new global institutions but the functioning and structure of those already existing needs to be reviewed.

The centre of gravity of the capitalist system is shifting from Europe and North America to Asia. Wealth flows are changing in two directions: from West to East and from private hands to the governmental power of Asian economies. Emerging countries need to pose the question of reform to improve finance regulation and prevent repeating the mistakes of developed countries to climb the new multipolar ladder.

As to Spain, low structural productivity of an economy excessively based on traditional industries with a medium-low technological intensity, growth driven by domestic demand,

foreign deficit and high debt have intensified the crisis. In the light of multipolarity, the government and companies need to reach a higher international presence and base their knowledge on innovation.

The five fronts of the new multipolar order

Global consumption needs to be reactivated through emerging countries, which offer new business opportunities. Their economies are growing at a good pace and have brought millions of new consumers to the market who will adopt Western habits (as long as no protectionist measures are taken). According to the FTF experts, the search for new markets and consumers will be the main factor driving internationalisation of companies from emerging countries. The recipe for Spain is more investment in internationalisation, especially in Asia, considering that the business areas most affected by competition are tourism, food and beverages, fashion and accessories.

The publication also looks into the capital movement, in which the effects of multipolarity have been especially felt through the global cross-connections between finance markets.

Investment, which until recently came from developed countries, has been increasing in emerging ones in an accelerated manner; the study talks especially of sovereign funds and considers that innovation is a good alternative to protectionism to improve the trade balance sheet.

In the near future, developed countries will need to prepare to attract and compete for investment from these sovereign funds in order to emerge from the liquidity crisis. Credit difficulties and economic deceleration affect Spain in the short run as to direct investment. Spanish investment has traditionally been in the eurozone and Latin America, but Asia needs to be considered now to take the opportunities of the new multipolar order and to increase the proportion in total exports.

Human capital is the main player in the new power map, the publication assures; and this is how China and India see it. The key here are universities, research, professional offer and cooperation between public authorities, business and education. Talent is a key element to surmount the crisis and to tackle the new challenges of the future.

Competitiveness and future economic development of nations will forcibly play a relevant role in the talent map. Hence the struggle for talent will be hard and global due to scarcity caused by an ageing and unevenly distributed population.

While emerging economies have an excess in young talent – they will need to fight brain drain – and new educational systems will need to be set out to cater for the needs of the society, developed countries will need to base their talent search strategies on improving the skill among present employees while attracting both young talent and that of more experienced people and offer more flexible and attractive labour conditions, among other measures.

Regarding Spain, a development and talent keeping strategy combined with seizing international talent will need to be set out, introducing major changes in the educational model, fostering research and improving the relation between business and university.

As to sustainability, the crisis has proven the increasing relevance of renewable energies and energy efficiency as well as the need of changing the production model to increase productivity and competitiveness in order to ensure economic sustainability in the new multipolar world. We are in times of corporate social responsibility, a commandment companies in both developed and emerging countries need to abide by if they wish to be rewarded by consumers and shareholders. In Spain, where energy sources need to be diversified, best practices affect the reputation of companies and corporate social responsibility has a powerful appeal for talent.

The last point is innovation. *Competir en tiempos de crisis* analyses the advantages for those countries and companies having innovated in times of crisis. For instance, it assures that developed countries will adopt innovations from emerging ones, while in Spain it is indispensable to improve triple helix cooperation to create a more efficient research, development and innovation (R&D&I) strategy: increasing technological innovation and improving human capital.

According to the FTF experts, the future trend will be increased cooperation between

emerging and developed countries, but the direction it followed so far will change: from the developed to the emerging ones. Innovation in Spain needs to help improve economic productivity.

To conclude, a new multipolar setting has been created in which the relations between developed and emerging countries will be redefined. Countries and their companies need to set some specific strategies to overcome the crisis and emerge from it stronger to succeed in this renewed globalisation.

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She has worked at the *Regió7* newspaper and as a correspondent for *Com Ràdio*, *Avui* and *La Vanguardia*.



FRANCESC CABANA. *La cultura de la cobdícia. Les claus de la crisi econòmica a Catalunya.*

Coll. «Visions», 32. Barcelona: Pòrtic, 2009

http://www.grup62.cat/ca/lilibre/la-cultura-de-la-cobdicia_11227.html

Recension by DANIEL JORDÀ

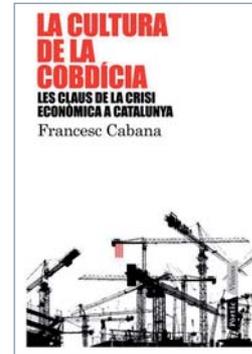
The economy is stirred up. Economic indicators are pointing downwards, unemployment is increasing, despair has seized the different economic stakeholders and citizens in general... and shelves in bookstores are filled with plenty of new books inviting to look into the depths of the economic crisis, some with more skill than others.

A whole myriad of different books have appeared: academic ones focusing on economic theory, full of formalities giving long-breathed explanations; rather descriptive and detailed books, but filled with specific finance jargon; and books with a plain dissemination vision. Each type is addressed at different readers, with differing motivations and degrees of curiosity about what is actually happening.

In this respect, *La cultura de la cobdícia* is, first and foremost, a popular scientific book addressed at the big, mostly non-expert public, who may even be unfamiliar with the economic phenomena described in it but wishes to have a certain understanding of the times we are living. Francesc Cabana translates these phenomena into an understandable everyday language, without leaving accuracy aside.

The difficulty for the big public in understanding economic phenomena is often not caused by their intrinsic complexity. In some cases, the problem arises from nebulous formulations economists cover these subjects with.

In other cases, the difficulty lies in the sophistication and lack of transparency of operations done, especially in finance: financial operations entangled with other ones to the infinite, in a labyrinthine grid in order to optimise them fiscally, dilute their risk –even if only for the sake



of perception– and/or make them commercially more attractive.

Moreover, the information reaching citizens is eventually confuse due to a lack of a spatial or temporal reference. There is not one crisis, but there are multiple ones affecting each economy in different ways: the subprime crisis and the American real estate bubble must not be confounded with the Spanish crisis, nor the influence the different problems may have on productive systems or the degree of solidity of the different economies.

Nevertheless, Francesc Cabana brings some order into the different concepts in *La cultura de la cobdícia*, providing an understandable view of how the different crises (real estate, finance, production, etc.) have eventually affected the Catalan economy. The book is divided into five parts: the first deals with overall economic cycles, showing different situations in recent history with analogies to the current situation.

In the second part, the author breaks down in detail the real estate bubble since the 1980s, based on the irrational belief that usually comes with any sort of bubble: the asset value never stops rising. This chapter shows the role different companies have played, some being greedier than others. In this respect, Cabana does not spare names, even if it is just to give examples.

The third part is dedicated to the financial crisis, which is in part the other side of the real estate bubble for different reasons. The most evident is that availability of cheap financing facilitated

real estate exchange. Liquidity fed the bubble. Moreover, securitisation of real estate assets and artificial sophistication of many financial operations added opacity to the finance markets. Together with poor ethical behaviour, this caused mistrust by institutions and investors.

The fourth part of *La cultura de la cobdícia* deals precisely with the crisis of trust and its effect on the productive economy. It also has to be born in mind that the effects are felt most harshly in those economies having grown on the basis of intensive use of labour instead of strengthening productivity. This is the case of the Spanish and the Catalan economy, as the unemployment rate shows.

Finally, Cabana sets forth the different recipes implemented since 2008 to prevent economic collapse, from intervention by central banks in private banking to (future?) reforms of the

finance sector, including G-20 statements. In this respect, as the author states, «there are no miracle formulas to set an end to the crisis. It is a matter of political leadership and appropriate economic measures». It obviously remains to be seen in the future if in our case, measures and leadership are appropriate.

Besides, as the author indicates, in a crisis in which greed contaminated the global finance system, it is indispensable to oust the «culture of greed» in order to recover economic momentum. And perhaps the culture of incompetence, of mediocrity, of ignorance as well... till the next bubble comes.

All in all, *La cultura de la cobdícia* is a very recommendable book for readers wishing to have a pleasant stroll through the current economic scenario with a wide perspective at popular scientific level.

DANIEL JORDÀ

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Futuribles magazine

Recension by MODEST GUINJOAN

The Paris-based **Futuribles** group is an independent centre of prospective thought and reflection on today's world. Through gathering information, elaborating studies, publications, training and other activities, the group has been working for over forty years with the aim of contributing to a better understanding of the current world by means of an interdisciplinary approach and with a very clear goal: predict the future and make hypotheses on it.

Based on studying and understanding the present, two crucial items in the conceptual and analytical framework of **Futuribles**, the group suggests, as its name indicates, the analysis of «possible futures» and policies or strategies to reach this goal, always considering the structuring items and the room for action in the current world.

The stable team in the group is made of ten people under the leadership of the soul of the project, **Hugues de Jouvenel**, doing an intensive internal task while taking up cooperation of international experts in the different subjects they deal with.

Prospective thought consists of studying the present to predict the future: anticipation at the service of action, as **Futuribles** defines it. It is thus a studying method based on the fact that the future is not predetermined but open to many possible outcomes, thus requiring a detailed analysis of the present as well as long-term processes and trends to allow to set out hypotheses about the future.

However, the prospective character of **Futuribles** must not be interpreted as a tool to answer questions on the future but as a resource to provide the necessary means to take meaningful decisions regarding the future, focused into a specific direction, to one of the many possible futures.



In the end, prospective analysis is anticipating what will come, a guarantee of freedom for those who have to decide where the society shall go to out of complete knowledge of the current framework and dynamic processes determining the future.

«*Villes européennes, villes d'avenir?*»

Futuribles, 354, July-August 2009

<http://www.futuribles-revue.com/index.php?option=toc&url=/articles/futur/abs/2009/07/contents/contents.html>

Futuribles publishes every month its homonymous magazine dealing with monographic subjects, including contributions of international experts. The July-August 2009 issue deals with big cities.

Considering the increasing urbanisation rate in Europe and the world in general, it is obvious that cities need to play a key role in shaping our future. The urban population ratio on the total population grows every day, and so does dependence of rural areas and the territory in general on decisions taken in big cities.

As the propection and marketing consultant **Émile Hooge** points out, the world of business has led to create competition between urban bodies since it was born centuries ago. The current economic crisis can increase this competition

between cities. In Europe, for instance, the rankings made to allow comparisons between cities so they can adapt their strategies to their strengths and weaknesses are increasingly demanded.

Some examples of these rankings, studied in-depth by Hooge, refer to comparative indices regarding competitiveness, cities of the future, living standard and city brands. By means of these rankings, advantages and limitations of consolidated cities are shown, while new areas of competition require a key role, combining traditional material (economic potential, infrastructure, life quality) and image values (environment, their inhabitants, living conditions) with new functional ones (relations with institutions, professional networks, potential associations) and those related to identity (creation of distinctive emblems, degree of feeling part by their inhabitants, development of symbolic actions, etc.).

An example of these new cities pushing forth in the European economic scene is Lyon. Its mayor is interviewed in this *Futuribles* issue, placing the emphasis on a new concept: so-called *co-opetition*, a combination of cooperation and competition.

With this term, mayor Gérard Collomb wants to express the importance of cooperation between metropolises, in which he sees a double advantage. On the one hand, cooperation in key areas can mean to prevent submitting to economic globalisation; on the other, it can also help maintaining sound competitiveness and encouraging local development.

Collomb also asks the European Union to act rather at urban instead of regional level in matters like transport and housing, in which European policies are designed in regional terms, thus claiming the creation of an «EU urban policy» following the regional policy model.

From a different perspective, the former European Council official Jean-François Drevet also refers to a hypothetical EU urban policy. The

author points out that urban policies are in principle within the jurisdiction of local authorities, but although there has not been much talk of it, there have been EU programmes for twenty years acting on projects like revitalising less developed regions (Southern and Central Europe) and reconverting old industrial ones (North-western Europe).

For the future, Jean-François Drevet expects the current cohesion policy to become a reality in social, economic and territorial aspects, and that this turns out to be the key in urban questions to promote the role of cities as a driver of regional development. In any case, it is clear that European cities are at a crossroads as to their role in the society.

In this respect, **Jean Viard**, director of research at the Centre National de la Recherche Scientifique (CNRS), analyses for *Futuribles* the social development of European cities during the 20th century, explaining the consequences of change experienced in spatial relations. Doing a prospective analysis, he believes that the urban style of the 21st century will be that of the «cloud city», by which traditional urbanisation focused on a specific area gives way to multi-place urbanisation.

Viard assures that a «revolution of time» has taken place, which will have consequences in urban organisation as although cities are still designed first and foremost based on labour (at least in France), social demand is increasingly addressed at areas for strolling, leisure, etc. Therefore Jean Viard declares that the society needs to feel that labour is not the core element of contemporary cities and sustainability needs to be improved to have them become more attractive for people. However, despite the need to grow and change the character of current cities, the author alerts that the challenge for the future will be to confront spatial and generational segregation derived from the mobile character of the society.

Insisting on the need of changing the model of the current European city, the urban plan-

ner and economist **Jean Haëntjens** points out that the economic crisis requires more «ecoresponsible» development in which cities need to play a crucial role as in Europe, as opposed to other places, the distribution of cities is good and this needs to be used to develop sustainable cities.

In this respect, the first actions have been made in big Scandinavian cities (especially Copenhagen, Stockholm, Malmö and Helsinki), with good results in the creation of «ecoquarters» (urban renewal, priority for public transport, collective governance, among others). Furthermore, Haëntjens also quotes the case of Barcelona, of which he points out that by means of giving priority to public space, culture, architecture and urban tourism, it has been able to reassert its «ecoresponsible» development strategy, although it is clear that there is still much to do.

If there is something positive about prospective analysis, it is that it refers to the future, so nothing else than predictions can be inferred, which will later be fulfilled or not, depending on many factors, some of which are unpredictable.

However, the architect **Bernard Reichen** dares to announce the strategies to develop in the short term to «reinvent the city» according to the sustainability parameters defended at *Futuribles*: connectivity of cities needs to be strengthened, recycling and an «urban nature» promoted (a concept indicating integration between urban constructions and natural spaces, based on the *città continuata* model from 15th century Tuscany). As other sources point out, the time of reconversion of European cities needs to be now, as according to Reichen, the current crisis is not only economic but also ecological, it is an opportunity for change and specifically to find the way back from the wrong direction urban planning started taking in the 1942 Athens Charter.

This viewpoint is linked with the opinion of the architect and urban planner **David Mangin**, who advocates abandoning the model of

city dominated by cars and optimising urban spaces, while claiming more fluidity in relations between suburbs of big cities. Nevertheless, Mangin thinks of both the big metropolises and the so-called *villes passantes* ('pedestrian cities'), a concept involving flows between open areas and a predomination of walking and cycling mobility. At both scales, Mangin defends the need of a post-crisis process to recover from 20th century unsustainable cities.

Given the great dynamism of present-day European cities, it is not surprising that we can make a difference between «winning» and «losing» cities, or at least this is how **Christian Vandermotten** from the Free University of Brussels puts it. Vandermotten asks which are the most attractive cities in Europe and where they are. By means of two indices, functionality and internationality, which consider as diverse aspects as connectivity, tourism, business, presence of company headquarters or heritage, he works out a ranking of European cities.

In this respect, he points out the positive dynamics of London, Paris, Rome, Madrid, Amsterdam, Prague, Warsaw, Brussels, Munich, Budapest and even Barcelona, among others. Put in other words, «winning» cities are currently most big metropolitan districts, together with the emerging capitals in Eastern Europe. Conversely, «losing» cities are some big capitals that were unable to take advantage of the opening of Eastern Europe, like Berlin and Vienna, and cities in former big industrial areas (Birmingham, Manchester, Liverpool, Lille as well as those in the Rhine-Ruhr basin, Lorraine, Upper Silesia, etc.). However, despite the prosperity of many cities, according to Vandermotten, much social change regarding migration, mobility and governance remains to be seen, and this is a challenge for both winning and losing cities.

All in all, the ideas disseminated by *Futuribles* regarding the future of European cities refer to a necessary process of change that has to lead cities to become integration areas between

urban elements and nature and invite the population to live in spaces planned out of a responsible vision in ecological, urban planning, economic and social terms. In this

respect, there shall not be winning or losing cities: they all need to go along one same way, if necessary guided by a European urban policy under the flag of environmental tolerance.

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