

futuribles - no. 401 - July-August 2014

Major Sporting Events: The Need for a Reassessment

Jean-Jacques Gouquet
and Jean-François Brocard

As the present issue appears, the 2014 football World Cup will be moving toward its climax, with the final set to take place at Rio de Janeiro's Maracana Stadium on 13th July. This year Brazil will be hosting the most watched sporting competition on the planet and, to do so, it has undertaken enormous building projects that have taken several years and involved substantial sums of money. Is such a financial investment for this kind of event justified, particularly in an emerging nation where a significant section of the population gains no benefit from the knock-on effects on economic growth?

This is one of the central questions raised here by Jean-Jacques Gouquet and Jean-François Brocard in their deliberation on the extent to which the true interests of a country or city are served by hosting major sporting events. Taking lessons from the assessments made after various major events of the same order (Olympic Games, other World Cups etc.), the authors stress the uncertain economic impacts and the long-term financial burden that is sometimes left to be borne by the organizing authorities.

They also stress how externalities get left out of account, which may be burdensome economically, socially and, going forward, environmentally. They then examine what perspectives flow from this mixed picture with regard to the future organization of major sporting events, taking into account the legacies left by these events (in terms of infrastructure and brand recognition etc.) and the way decisions are taken about them. In so doing, they stress the need to choose decision-making tools well (particularly with regard to *ex ante* impact studies) and the growing danger that the organization of major sporting events will no longer be possible in democratic countries on account of the sensitivity of public opinion to the proper use of public funds and the priority accorded to social and environmental aspects.

Sport, a Geopolitical Issue: The Football World Cup: Some Thoughts on Major Sporting Competitions

Pascal Boniface
interviewed by Sébastien Abis

June 12, one of the most widely reported sporting events on the planet began: the football world cup, which is held in Brazil until July 13. This presents us with an opportunity to assess the place sport occupies today in the global geopolitical arena, beginning with football, which is no doubt the most popular sporting discipline in many countries, including France.

Sébastien Abis has interviewed Pascal Boniface on this subject. Boniface is the director of IRIS, the French International and Strategic Relations Institute, and the author of a number of works on geopolitical issues and their connection with sport. As revealed in the interview, sporting events and the performance of national teams have come to play an increasingly large part in the international image and standing of states large and small. It is likely that this will increasingly be the case, despite the possibility that unfortunate consequences may ensue from the economic interests in play. It therefore has to be taken into account in diplomatic and visibility strategies on the international stage, and efforts have to be made to use this now indispensable element of "soft power" to the best possible effect.

The "European Capital of Culture" Label: The Long-term Effects of Major Cultural Events

Marthe de La Taille-Rivero

Competition between the world's major cities for tourists, investors and talent has become increasingly fierce. Quite apart from each city's intrinsic features, major high-profile events represent hotly-contested opportunities to gain news coverage and media attention generally, at least for the duration of the event. And yet, as we have seen in this issue with regard to major sporting events, the economic, social and indeed

environmental impact in the medium-to-long term of organizing great international sporting tournaments is far from systematically positive for the host cities –and may even leave financial burdens lasting many years.

On the other hand, things are quite different in the cultural field, as Marthe de La Taille-Rivero shows here, drawing on the experience of the cities chosen as European capitals of culture. Apart from the fact that the infrastructural investments and needs are very different –and much lower– than required for the organization of sporting events, culture seems to play an economically stimulating role for cities. This at least is what emerges from assessment of the experience of several European capitals of culture (Glasgow, Liverpool, Lille etc.) covered in this article.

Paris and the French Disease: On the Inextricable Connection between Urban and National Economies

Mario Polèse

Introducing the dossier on “Greater Paris” published in this issue, Canadian professor Mario Polèse takes an external look at Paris’s place among the world’s great cities. Expressing surprise that the city isn’t the economic capital of Europe, given its geographical position and other assets, he offers various strands of explanation, first relating to language, but, more importantly, to economics and regulation. Speculating on the role Greater Paris might play in improving the place of the French capital in the new economy, he stresses the rigidities that currently deter the establishment of start-up companies in the capital (particularly in the property field), even though there are considerable resources in terms of scientific and technological research in the Île-de-France region (France’s “Silicon Valley” on the Plateau de Saclay). He concludes by proposing two possible scenarios for the capital region –assuming the development of Greater Paris and with a time-horizon of 2030– depending on whether or not genuine structural economic changes are made in France to attract and retain talent.

A New Vision for the Paris Metropolis *Jean-Claude Prager*

Following Mario Polèse’s article which opens our dossier on “Greater Paris”, Jean-Claude Prager shows how the Paris region, which

seems to have reached some limits in terms of economic dynamism, not unlike France itself, should and can rebound in the knowledge economy.

After reviewing the weaknesses of the Île-de-France in terms of employment and economic growth, he stresses its failings with regard to innovation, a crucial factor in determining the international rankings of rival metropolises (London, Tokyo, New York etc.). Jean-Claude Prager also underscores the essential place of human capital as one of the key factors where innovation and economic drawing power are concerned; hence the need to improve the education system and increase research provision, both regionally and nationally. Lastly, re-dynamizing French enterprise also involves new forms of state intervention and incentivization in favour of both enterprise creation and the consolidation of small and medium-sized companies. This is ground on which the Île-de-France could serve as a local test-bed for initiatives that could later be rolled out nationally. With such a vision, Jean-Claude Prager argues that the prospect of the development of an entity like Greater Paris represents a genuine opportunity for the Île-de-France region.

The Global Car Market: Factoring Urban Realities into Forecasts

Véronique Lamblin

With all their congestion problems, mobility based on the private car is under increasing pressure in the world’s cities. At the same time, there is a deep-set trend towards urbanization among the world’s population that has little prospect of being reversed in the coming decades.

Futuribles and IHS examined these questions by way of a study incorporating the “urban factor” into the development of the global car market to 2035 (a study aimed mainly at the professionals in the sector, including car and parts manufacturers etc.). This raises a major question: “Could owning a vehicle become a thing of the past in cities?” By incorporating the urban factor into the analysis, using a combination of foresight and forecasting, the study actually opens up a new perspective on mobility trends in the years to 2035, taking account of the changing needs and future lifestyles of individuals, and the consequent impacts on the demand for car-related products and services.

In the article Véronique Lamblin, one of the directors of the study, outlines the method used to factor variations of urban mobility in cities and metropolises into the potential evolution of global motoring.

The Evaluation of Public Investment

Émile Quinet

For some years now France has been going through a period of serious budgetary restraint and this is probably set to continue for some time. In such a context, it is more than ever necessary to rationalize public spending, including both operating and investment expenditure. Public investment expenditure represents around 15% of total French investment and concerns sectors as essential as transport, energy, health or education. And yet such expenditure has not been thoroughly evaluated, which is why the French Centre for Strategic Analysis (now renamed the General Strategy and Foresight Commission) was asked to examine the question of its socio-economic evaluation.

Émile Quinet, who has been entrusted with this task, outlines the main lessons to be learned from the extensive report that came out of this exercise. After reminding us that new evaluation arrangements need to be envisaged (to take account of such changes as the increasing importance of climate matters), he presents the report's proposals with regard to updating the methodology of the socio-economic evaluation of public investment (discount rate, risk assessment, impact on employment and economic growth etc.) and recalls the importance of integrating long-term considerations into investment decisions, particularly in the field of transport. The aim is, ultimately, to provide decision-makers with the essential means to make informed decisions on public investments, even if, as Quinet reminds us in his conclusion, it remains difficult to carry out such evaluations on very long time scales and to make them in sectors as strategic as education or research.

Reverse Innovation: Towards New North-South Relations?

Jean-Michel Huet

The fact that many markets in the industrialized countries are saturated and competition between companies to win market share in the emerging countries is increasingly fierce makes innovation in both products

and services an absolute "must". In this connection, a new concept –reverse innovation– first outlined in a work published by Harvard Business Press in 2012, is gradually gaining ground. By way of a genuine feedback loop, an innovation developed on the ground in the emerging countries ends up being produced for –and made available in– the developed world.

Jean-Michel Huet details the origins of this concept of reverse innovation and shows how it differs from other modes of innovation such as "frugal innovation", for example. He also presents several practical illustrations of reverse innovation in the automobile, health and agribusiness sectors and with regard to sustainable cities. Finally, he underlines why this concept could spread in the medium to long term and help foster the emergence of win-win North-South partnerships.

Above and beyond the particular cases presented, this article sheds light on a more general trend in which many innovations "trickle up" after being developed "out in the field", whereas within many companies and public bodies the requisite creativity seems to be stifled.

Quality of Life at Work: Toward a Reform of Company Governance

Hubert Landier

In these recessionary times, the question of the quality of life at work may seem rather misplaced for France, given the concerns of the almost three million current jobless who would presumably be content in many cases just to have employment, without worrying about its qualitative dimensions. Yet, as Hubert Landier shows here, this is a major issue for developed societies, in which aspirations to well-being and a better quality of life are increasingly to the fore, as a result of the increased concern with non-material needs. And it is also an essential element in the smooth economic and social functioning of companies which, not having grasped this issue of quality of life at work as quickly as they should, are now paying for it in terms of absenteeism or low levels of employee engagement.

Hubert Landier argues that this situation can be remedied and individuals' aspirations to a better quality of occupational life can be met, if there is action, crucially, at the level of company governance, by promoting social dialogue and genuinely involving employees

and their representatives in strategic decision-making and the company's business plan. This is an ambitious reform of company operation that has already been tried many times without success, but one for which there is still an evident need.

An End to France's Territorial Layer-Cake?

Jean-François Drevet

Shortly after forming his government, the French Prime Minister Manuel Valls caused something of a stir among French local and regional authorities by announcing, last April, that the number of French regions would be halved in 2017 and by proposing to abolish *départements* by 2021. Though there is much to be said for this, given France's territorial complexity, the experience of previ-

ous attempts at reform and the way a number of local politicians tend to cling to their powers mean that this new initiative –officially launched in June– is not certain to come to fruition.

However, as Jean-François Drevet shows here, comparing the kinds of territorial division prevailing in France with those in other European countries where municipalities, counties/provinces and regions are concerned, it would be a logical development enabling the country to resemble its European partners more closely in terms of territorial organization. Moreover, such a reform would give scope for some substantial savings –a point not to be ignored in such delicate times for the public finances, even if we should be careful not to overestimate these, as Jean-François Drevet reminds us in the conclusion to his column. ■

Futuribles is a bimonthly independent transdisciplinary policy oriented journal (6 issues a year), also available in electronic form on the *Futuribles* website.

Its objective is to provide its readers with a better understanding of contemporary societies dynamics, those facts, ideas and trends shaping their medium and long term possible futures.

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