# A scenario for the new French Urban Areas zoning

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- 1 The 2010 French Urban Areas Zoning ZAU
- Towards a new scenario : challenges and theory
- Empirical method and first results

#### Sommaire

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- 3 Empirical method and first results

### Why define a Functional Zoning?

- Define economically coherent areas in order to better target public policies - by lowering the risk of spillovers effects on non targeted areas
- Measure the extent of city's influence on its **neighbourhood**, beyond physical borders defined by the building continuity
- Analyse the network of interacting firms and **commuters** on a relevant geographic scale
- Compare the different forms of cities development by distinguishing between center and periphery.

### Urban Units: the French morphological zoning

A morphological zoning aims at describing in detail the location of the variables that characterize the territory.

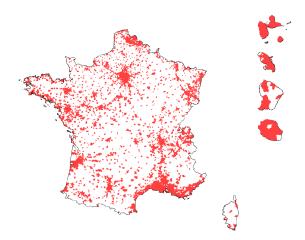
#### French administrative zoning

French Territorial Divisions (LAU2 level, municipalities) are among the smallest in Europe: 15 km2 and 1600 inhabitants on average but half of them have less than 450 inhabitants

#### Urban Units - 1954 ... 2010

Municipalities which have more than 50 % of their inhabitants in an area of **building continuity** (less than 200 meters between buildings) which contains **more than 2 000 inhabitants** 

### Urban Units: the French morphological zoning



Red: Urban Units - White: rural Insee - census 2008 In 2010: 2 233 Urban Units; 22% of French territory; 47.9 Million

inhabitants - 77,5 % of the population

### The French functional zoning: ZAU 2010

#### Centers

Urban units providing more than **10 000 workers** (big urban areas); **5 000 workers** (average urban areas) or **1 500 workers** (small urban areas).

#### Peripheries

Municipalities among which at least **40** % **of employed resident population** works in the centre or in the municipalities attracted by this centre - *iterative algorithm* 

#### Multi-polarized

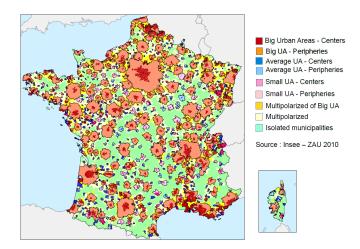
Municipalities among which at least 40 % of employed resident population works in at least two different urban areas, without reaching that threshold with one unique urban area.

### Focus on the actual zoning into Urban areas - 2010

#### Data bases

- IGN BD TOPO : areas with building continuity (for Urban Units)
- <u>Fiscal Data 2010</u>: geolocalized fiscal population (for Urban Units)
- Insee Census 2008: number of workers and inhabitants per municipality + number of commuters from one municipality to the other

### Focus on the actual zoning into Urban areas - 2010



### Focus on the actual zoning into Urban areas - 2010

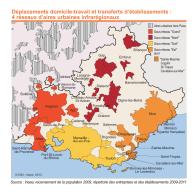
#### Population in 2008

Type of Urban Area	Population	Population's share	
Large (241 areas)	52 811 633	82.6 %	
Average (131 areas)	2 273 713	3.6 %	
Small (420 areas)	2 530 966	4 %	

### The uses of the actual zoning

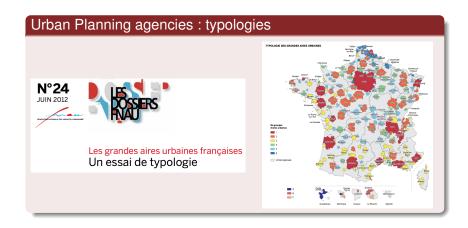
#### Partnerships between Insee and Local Public Actors

- Territorial studies in partnership with local administration.
- Decision aid tool for local public policies.



Sub-network of urban areas in the PACA region

### The uses of the actual zoning



### The uses of the actual zoning

#### Academia: studies about the nature of rural and urban areas

- Mora (2008) "New rural areas by 2030"
- Bretagnolle (2015) "The birth of the suburban area as a statistical category in France. An international perspective"

### Academia: reference zoning for territorial studies

- Combes, Duranton, Gobillon, Puga, Roux (2012) The productivity advantages of large cities: distinguishing agglomeration from firm selection
- Combes, Duranton, Gobillon (2016) The Costs of Agglomeration: House and Land Prices in French Cities
- Cailly, Vanier (2010) France, an urban geography

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### Challenges faced by the actual zoning

#### **Thresholds**

- The 40% commuters threshold is often questioned...
- ... but above all, the distinction between small, average and large urban areas is criticized because of the great disparities between these three categories. Small urban areas are seldom used

#### Aggregation algorithm

The snowball effect of the iterative algorithm is misunderstood.

#### Rural areas

This zoning doesn't characterize rural areas which leads some to call Insee: "the rural gravedigger".

## Towards a new French zoning in 2020

#### Timeline

- September 2017 August 2018 : elaboration of an alternative scenario of functional zoning; exchanges with experts and users
- November 2018: selection of a scenario between the new propositions and the 2010 method
- 2020 : diffusion of the new zoning

#### Guidelines for a new functional area zoning

- Harmonize with international standards (Eurostat -OECD)
- Precisely and accurately describe France's unique territorial characteristics
- Maintain consistency with current zoning

#### Concrete issues

#### What is a city and how can we define its area of influence?

#### Cores

How do we define cores? Which variable do we use? Population, employment,...

#### Peripheries

How do we capture the city's influence area? What are the mains advantages/drawbacks of commuting data?

#### Polycentricity

Can a municipality be under the influence of more than one city?

Urban economics theory gives us some insight.

### The monocentric city model

Alonso (1964), Mills (1967), Muth (1969), Brueckner (1987), Duranton and Puga (2014)

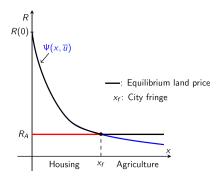
#### **Hypothesis**

- Employment is exogenously located at the city center (CBD).
- Workers/Consumers choose their location at distance x from the CBD.
- Working at the CBD provide the individual with a wage w.
- Commuting to the CBD from residence at distance x from it implies a commuting cost  $\tau(x)$ .

- Consumer maximize their utility U(z, h) where h is housing consumption and z the composite good consumption. R(x)is the housing price.
- At the spatial equilibrium, no worker wants to change location, the utility is the same at any point of the city.
- Budget constraint :  $w \tau(x) = R(x)h + z$

### The monocentric city model - further developments

- Land can also be used as an input to an activity that does not require commuting to the CBD, agriculture for instance.
- Landlords allocate land to the highest bidders :  $\Psi(x, \bar{u})$  is the highest price people are ready to pay for housing.



City fringe according to land price - Combes (2017)

### Predictions of the model

#### City fringe $x_f$

- $x_f$  decreases with commuting cost per unit of distance  $\tau'(x)$
- x<sub>f</sub> increases with the share of housing in consumers' preferences
- x<sub>f</sub> increases with the wage at the CBD

#### Population density

Population density decreases when going further away from the center.

#### Predictions of the model

#### Population of the city

$$N = rac{\Psi(0, ar{u}) - R_A}{ au}$$

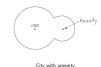
Population increases with the land-rend differential between the CBD and the city fringe, and decreases with commuting costs.

#### Secondary centers

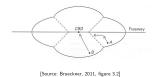
In case of employment decentralisation, secondary centers can emerge.

### Predictions of the model

 Amenities attract people so that cities expand in their direction (Combes 2017)



 If commuting costs are lower in a direction thanks to a transport amenity such as a highway, the city will extend in this direction.



City boundary with transport amenity

### Concrete implications for the Urban Areas zoning

- The shape of the city is not only determined by distance to an employment center: distance to amenities matters as well, and the nature of amenities is very diverse and difficult to assess.
  - ⇒ population density is a key parameter, easy to measure and maximum at the locations which are the most attractive for residents.
- Total population reflects the local economic configuration and allows to distinguish between different categories of cities.

#### Cores

A combination of population density and total population allows to delineate **cores** : areas which attract residents.

### Concrete implications for the Urban Areas zoning

- Commuting costs have an impact over land prices, which impact the **location** of both workers and non-workers and thus which impact directly the city fringe.
- Commuters might make one part of their expanses in the core, which has an impact over the economy of their residence municipality.

#### **Peripheries**

- The share of residents which commute to the core determines municipalities which are under the influence of the core.
- In order to avoid spillover effects difficult to measure, the commuting has to be to the core itself (hierarchical algorithm)

### Concrete implications for the Urban Areas zoning

#### **Nested zoning**

People can live in a secondary center rich in amenities and work in an employment center.

⇒ a nested zoning allows to capture this phenomenon

#### Polycentric city

Polycentric cities can also consist in two employment centers that exchange a high number of commuters.

⇒ two connected cores can be part of the same city.

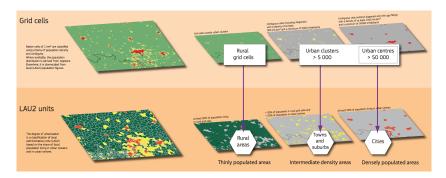
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#### Method

#### Cores

Define cores with Eurostat's **Degree of Urbanisation**: a consensual zoning, the use of which is expected to spread over the next few years.



#### Method

#### Density thresholds for the cores: problems

- DEGURBA level 1 : > 1500 residents/km2 and > 50 000 inhabitants ⇒ ok for cities and FUAs but too few urban areas in comparison with previous zoning
- DEGURBA level 2 : > 300 resident/km2 and > 5000 inhabitants ⇒ leads to **very large areas** along the coastlines and the borders
- DEGURBA extended (Dijkstra 2017): adds a level: > 1500 residents/km2 and between 5000 and 50 000 inhabitants ⇒ good compromise

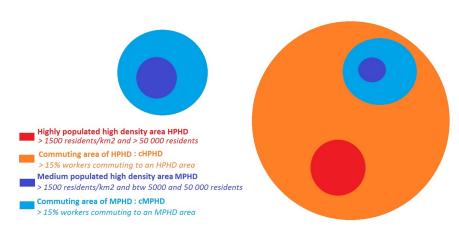
#### **Peripheries**

- Use a hierarchical aggregation algorithm with a threshold of 15 % commuters (harmonized with Eurostat-OECD's Functional Urban Areas).
- If a municipality could be aggregated with more than one core, it is aggregated to the one to which it sends the highest percent of commuters.

#### Nomenclature

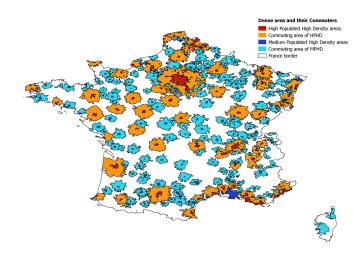
In order to avoid any risk of over-interpretation, the names are not from the common language: areas are **named after their statistical definition**.

### Summary of the method

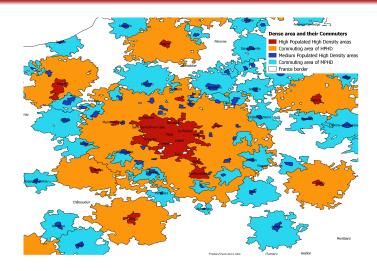


Nested zoning: MPHD and cMPHD can be included in cHPHD

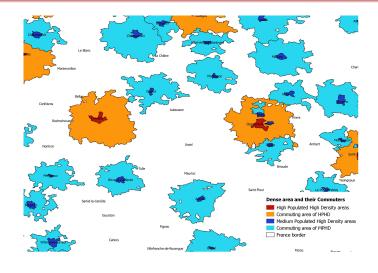
### Map France



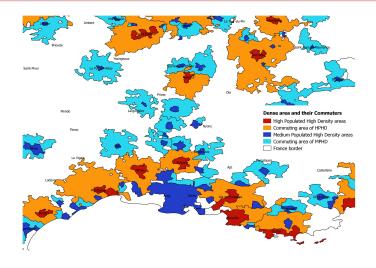
### Map Paris area



### Map center of France



### Map south of France



#### Some numbers

#### Descriptive statistics in 2010

Type of Area	Population	share pop	share surf
HP + cHP (62 areas)	39 013 361	62 %	25 %
MP + cMP ( 280 areas)	14 162 669	23 %	24 %

### Synthesis of this scenario

- Microfounded method : based on urban economics' essentials
- Simple method: high density core and its commuters, only four categories.
- International harmonization : uses as cores Eurostat's refined Degurba + hierarchical aggregation algorithm with a 15% threshold ⇒ coherent with Degurba, cities and **FUAs**
- Accurate description of french specificities: covers 81 % of french population and 46 % of its territory.

### Further steps

#### Explore the different options in this scenario

- Enclaves and exclaves; municipalitites that could be aggregated with more than one core
- Robustness checks

#### Analyse the consequences of this scenario

- Retropolation, number and nature of concerned municipalities
- Study of the intra-urban coherence
- Impact on the measure of the cities extension

#### Collect feedbacks

French users, OECD, Eurostat,...

Thank you for your attention.

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