

# MULTI-ANNUAL RESEARCH PROGRAMMES

## RESEARCH HIGHLIGHT

### METROLUX

#### METROPOLITISATION AND URBAN GOVERNANCE IN LUXEMBOURG AND THE CROSSBOARDER AREAS

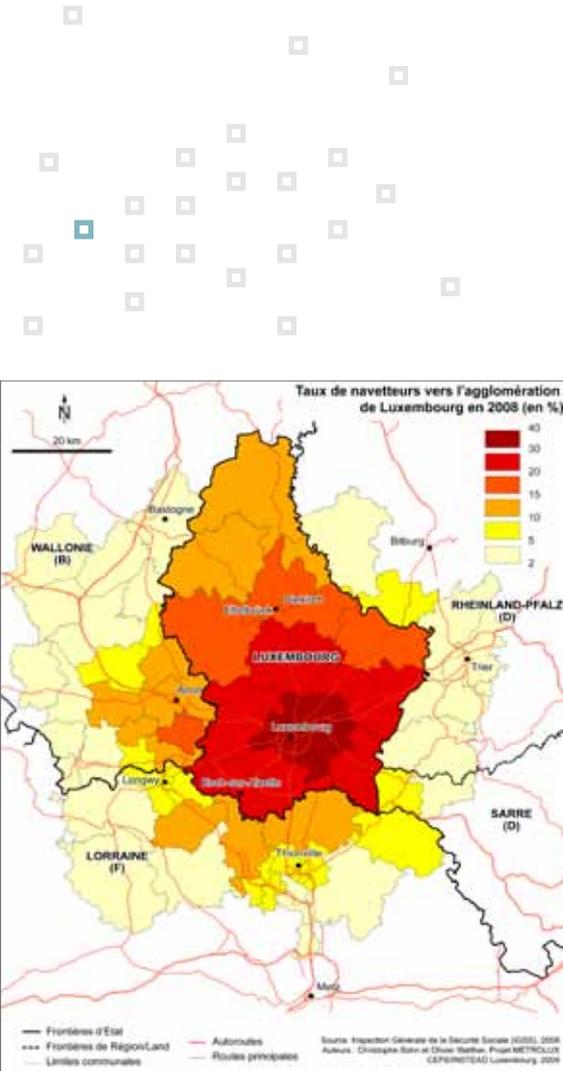
When Dr Christophe Sohn, coordinator of the METROLUX project, running from early 2007 to late 2009 and based at the CEPS/INSTEAD in Differdange, first mentioned the concept of Luxembourg and its cross-border areas as an emerging metropolitan region, reactions were mixed, albeit with a rather strong tendency to scepticism. Three years later, mentalities have shifted: "The public sector seems to have understood more and more that Luxembourg cannot be limited to a sovereign state entity anymore, but that the close interrelationship with the border regions and the constant transformations linked to this phenomenon have to be taken into account for future spatial planning and territorial governance as well", says Sohn.

Perhaps initial misunderstandings were in part linked to conflicting definitions of the word metropolis. At first thought, most people will argue that Luxembourg as a city cannot really be compared to acknowledged global cities such as London or New York. However, according to the geographer's definition, it is not purely the extension of the urban agglomeration or the demographic weight that define a metropolis, but rather the concentration of certain functional or symbolic attributes that are characteristic for a city of importance within the global economic networks.

METROLUX was thus founded on two observations: firstly a city of Luxembourg that became more and more linked with global economy and secondly a very apparent and constant rise in cross-border interdependency. The project's objective was to analyze these developments in their spatial, economic, political and cultural dimensions in order to understand and theorize this rather atypical cross-border metropolisation process.

"Luxembourg-City has seen significant changes towards metropolisation as early as in the 1970's, when the banking sector and its connected activities had their first emergence", explains Sohn. Today, the Luxembourg-City financial sector has developed into an establishment of global importance and renown. According to the findings of METROLUX, half of the world's 100 biggest service firms were represented in the city by 2005. Luxembourg airport is ranked the 27<sup>th</sup> biggest competitor in airfreight worldwide. On a regional level, the city draws in businesses and skilled workers, both from within the country and from its bordering regions.

This cross-border phenomenon is important enough to have an entire research axis within the METROLUX project devoted to it. "During the last two decades or so, the functions of European borders have changed", explains Sohn. "Within the Schengen space, there are no border controls anymore; immigration and customs are managed differently now. The borders can be seen as interfaces or contact zones that promote a variety of exchanges, rather than acting as barriers. Borders can, in this sense, be considered as an opportunity or resources." In the case of Luxembourg, an interesting process can be observed: businesses are drawn to the country because of fiscal or regulatory advantages; employees, on the other side, often prefer Luxembourg's working conditions, such as a higher pay, but keep their residence outside of the country because of lower rents. "As far as cross-border integration is concerned, there are tendencies in both directions. Our aim is to understand the driving factors behind the phenomenon", says Sohn. For this purpose, the researchers did not restrict themselves to an analysis of the specifics of the Grand Duchy (respectively its capital) but also undertook a comparative study between Luxembourg-City and Basel and Geneva, two small cross-border metropolises themselves. The investigation did find obvious similarities to Luxembourg-City. One striking difference however, is the fact that both Basel and Geneva have a high level of cooperation reaching beyond the borders, a topic where Luxembourg-City still shows a certain deficiency, according to Sohn: "The functional area of the so-called Luxembourgish metropolitan region, namely the area that can be regrouped according to very strong economic and social exchanges, extends across the borders. Luxembourg-City included, this functional area regroups a cluster of urban centres, such as Thionville, Arlon and Trier. Each city by itself is too small to remain competitive in the future, but together, they could form a polycentric metropolitan region. Although cross-border cooperation between Luxembourg and its neighbours has been going on for decades at a local (e.g. PED, *Pôle Européen de Développement*) but also a regional scale (e.g. The Greater Region), the emergence of a cross-border metropolitan region has not been sufficiently taken into account by the political players.



Recently, both the Luxembourgish government and the governing bodies of the regions adjoining the country have begun to rise up to this challenge and are now showing an increasing willingness to tackle the issue. In parallel, Luxembourg has also started to address other factors: a metropolis on the rise cannot just be known for the number of its banking institutions. Investments into cultural aspects, such as the Museum of contemporary art (Mudam) are a good start, according to Sohn, to strengthen the attractiveness of the city on the regional and the European scales. On the economic side, the important investments into Research and Development that started a couple of years ago are essential for a much needed diversification: overreliance in just one sector, such as banking, is a risky strategy.

The METROLUX project has certainly illustrated where Luxembourg-City stands in the present and what needs to be taken into account for future developments. The project's most important result is a question of viewpoint: "If you are an economist, you might find the analysis of knowledge-intensive activities (e.g. metropolitan jobs) the most noteworthy. If you are involved in cross-border governance, the changing attributes of borders would be of particular value, whereas, from a purely scientific point of view, the comparison of Luxembourg, Basel and Geneva yielded the most interesting publication", says Sohn. METROLUX was thus most successful in drawing together a variety of research topics that are of value for a multitude of different sectors.

"The FNR did not only provide a financial contribution, but has also been instrumental in highlighting the scientific value of our project", states Sohn. A value that has been consolidated by the fact that the initial METROLUX project team has become the new METROLUX research group, focussing on cross-border metropolitan regions in Europe, within the CEPS/INSTEAD.

