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In search of a marketplace

TRANSLATED FROM THE FRENCH BY

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"Corsica ROBERT IS an island congenitally handicapped

by the sea which surrounds it, the mountains which dominate it, and the smallness of the local market". This assessment by Janine Renucci is itself sufficient to explain the problems faced by an intrinsically fragile economy. Two stumbling blocks to economic development keep cropping up: demography and transport.

Since the 1872 census different parts of Corsica have had changing fortunes, as is the case today. But, to all intents and purposes, it's an empty island: 256,000 inhabitants for 8,000 sq km, or 29 inhabitants per sq km and barely eight outside the towns, a much sparser population than any other major European island. Such sparseness is exceeded in metropolitan France by just seven departments — Alpes-de-Haute-Provence, Haute-Alpes, Ariège, Cantal, Creuze, Gers, Lozère — rural areas mostly facing a profound crisis.

Some of these departements experienced a more dramatic population loss than Corsica: Lozère, for instance, had 135,190 inhabitants in 1872, and just 72,825 in 1990. It must be said that certain tenets of Corsican folklore have proved false. The First World War was certainly a bloodbath for the island – 16,000 killed, or 4.2% of the population, compared with the French national average of 3.5%. But, contrary to public belief, fathers of six children were called up at the start of hostilities throughout France, and not just in Corsica, before being demobbed early in 1915, on the island as on the Continent.

Yet the Great War, in taking men from the island, started a cumulative process. It was as if the population dropped below the

level from which an economy could fight back. In a certain way Corsica never recovered from the war.

Emigration, a constant of Corsican history, took off after the butchery of 1914–18. Emigration from a ruined island marked by a dramatic lack of employment. Today the Corsican diaspora, in mainland France and the world at large, is far greater than the island population. Despite successive campaigns to encourage returnees, the Eurisles network estimates Corsica to be the only large Mediterranean island with a smaller population at the end of the twentieth century that at the beginning. There are more deaths than births. Without a reversal of this phenomenon repopulation can only come via immigration from mainland France or abroad.

A tiny population, tilted as it is towards retired people, is just not compatible with an open, modern economy driven by the competitive ethos. Being on an island may from time to time afford protection, but insularity creates a vicious circle. "The slenderness of the economy", the European Commission observes, "partly explains the difficulties companies experience in setting up industrial activities. In turn lack of employment opportunities causes young islanders to leave, adding to the ageing profile of the population".

Below a minimum critical mass (varying by sector depending on fixed costs, economies of scale, etc.) local production cannot compete with imports. Depending on who you listen to, Corsica is either too far from or too close to the Continent: too far for distance not to complicate working conditions, too close for developing local products to sell at a premium.

The mountainous landscape of inland Corsica creates a feeling of isolation from the real world. According to Eurisles, the island is in reality split into a series of local markets, the most important being limited to 60,000 souls. This results in many businesses leading a perilous existence. Statistics show that those people who live in tiny villages lacking shops must travel further to get their necessities than they do on the French mainland. Failure of small businesses or shops around the Corsican hinterland deters people from moving in, accentuating the drift to the big towns. Even productive small outfits can't cope with the heavy demand in summer, which sees them importing from the mainland. Finally, salary levels, the lowest in metropolitan France, reduce even further the scope of the consumer marketplace.

Almost every type of economic activity struggles against a demographic block. When it comes to training, according to Michel Biggi, the technical director of Eurisles, one must somehow steer between producing too many qualified people for available jobs and producing fewer at a prohibitive cost.

Simply increasing subsidies does not itself guarantee the survival of the weakest businesses. "When a company exempted from paying tax and from social security charges still does not work you have to ask why — and it's because there is no market" an employer, himself a nationalist, told me in private. In such a context some insolvent businesses have kept themselves afloat on the fringe of the law by deciding not to pay any charges at all.

As for transport issues, in spite of the "revolution" which has taken place since the 1960s, the frequent traveller to Corsica struggles with nagging problems of cost and frequency. In 1997 Eurisles quantified such handicaps as a "statistical indicator of regional disparity on islands and the furthest-flung places". Experts calculated the time taken by a truck setting out from Maastricht, in Holland, to reach the main town of each European island. They worked out a "virtual distance" far in excess of the actual geographical distance. Ajaccio found itself in the same band as Tunisia with a "virtual distance" of 2,678 kilometres compared with a physical distance of 1,444 kilometres.

Paris's setting in place of the "continuité territoriale" (the plan to assure transport links with the Continent following the events of Aléria in 1975) provoked a very half-hearted response from the transport industry. Annoyed by a certain lack of transparency over the way prices were set, the industry has helped push up costs—making Ajaccio one of the most expensive places in France. Recurring demands for an island salary bonus, one cause of the lengthy civil service strike in the spring of 1989, are nourished by this climate.

So the only large island within metropolitan France is bound by a whole sheaf of objective constraints. The State has long ago accepted this, happy to close its eyes or to offer subsidies of one kind or the other, accustoming the island to a system of support with all the unfortunate consequences that entails.

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