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# Collaborators, sceptics, and opportunists; regional development and the pleasure boating sector in Brittany

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The aim of this paper is to review incentives proposed by public authorities and to show how businesses evaluate these incentives in the pleasure boating sector in France. The pleasure boating sector is closely linked to Brittany's regional identity, and plays a major role in its attractiveness to external actors. Starting with both qualitative and quantitative analyses, the results of this study show that incentives may be proposed in different forms; they may be direct, as in the case of subsidies, tax exemptions or allowances; or indirect, as in the case of the organisation of informal meetings or topical seminars. Firms generally vote for cluster strategies, and prefer indirect incentives to direct economic aid. Finally, three groups of firms are identified: collaborators, sceptics, and opportunists – this breakdown allows a better understanding to be gained of the manner in which firms perceive the incentives proposed by public authorities.

Attractiveness and competitiveness are recurring concepts in debates concerning regional economic development. The role of a region (territory)—as a clearly identified living and working area—is to ensure continued development and its future in a highly competitive world. While a region may be constantly exposed to new risks, it may also take advantage of new opportunities. As with any organisation seeking to improve its performance, regional government must promote and implement true mid- and long-term strategies.

In the search for global competitiveness, geographic considerations play a major role. The development of regional competitiveness refers not only to local factors characterizing economic attractiveness, such as the region's workforce, logistical equipment and infrastructures, raw materials, or energy. Indeed, competitiveness may also be considered to be one of many phenomena in the co-development of resources and expertise promoted by different regional actors, both private and public. In order to optimise their performance, firms build partnerships to pool certain resources, or even to communicate within a common local identity. These links are often formed by formal and informal networking initiatives, thus facilitating the flow of information.

Porter (1990, 1998) was one of the first to explicitly relate the concept of clusters to a sector's and a nation's competitiveness. Clusters are a driving force to strengthen the competitiveness of already functioning firms (Hill & Brennan, 2000; Pandit *et al.*, 2002). According to the studies of Roberts & Enright (2004) and Enright (1993, 1996), the collaborative partnerships and relationships formed between geographically concentrated businesses could in turn enhance regional competitiveness. The development of clusters turns out to be valuable at the regional level, because it promotes the development of skills and regional assets that are difficult to imitate and reproduce. Clusters are thus increasingly perceived as major vectors of local innovation and increased regional SME competitiveness, and as a factor in attracting direct foreign investments. In the past decade, clusters have become the preferred lever for intervening and seeking action from regional public authorities (Boekholt & Thuriax, 1999; Lundequist & Power, 2002; OECD, 2005, 2007; Sölvell, Lindqvist & Ketels, 2003). Indeed, "in an era of globalization of business, the theme of regional competitiveness acquires importance for regional development policies" (Camagni, 2002).

Thanks to the diversity of its interacting entities, the attractiveness of regions is a multidimensional concept (Gérardin & Poirot, 2010). Public intervention involves both a choice of incentives and an understanding of corporate constraints, leading to proactive, joint procedures. To gain a better understanding of the incentive mechanisms through which firms and public authorities are connected, the measures offered to the former should be well characterised. However, while considerable research has been devoted to the importance of the role played by public policy in the creation and development of clusters, little effort has been made to directly evaluate these policies in terms of effectiveness.

This paper reviews the various incentives offered by regional authorities and shows how businesses assess these incentives in the pleasure boating sector in Brittany. As a maritime region, the region of Brittany attracts a vibrant pleasure boating sector. At the same time, the pleasure boating sector, like any other sector, is affected by variations in the state of the economy.

For the present study, a methodology is implemented that combines different data sources and statistical processing methods (Denzin, 1978; Silverman, 2009). This research was carried out in three distinct phases, successively combining qualitative and quantitative approaches:

1. Qualitative interviews involving coding and analysis phases;
2. Hypothesis development;
3. A quantitative study associated with a questionnaire.

The present paper first provides a review of the literature dealing with clusters and incentive policies. The second part of our paper presents a case study of the pleasure boating sector in Brittany: the characteristics of this sector are introduced, followed by a description of the research methodology and the results obtained.

**Clusters and incentives**

Regional attractiveness may be defined as "a region's capacity to offer the conditions which convince actors to pursue activities in their own region, rather than another" (Hatem, 2004). Following the same logic, a relationship may exist between regional policies and the attractiveness of firms, as shown by a certain number of projects that in recent years have contributed to an abundant literature. According to Porter (1990, 1998), clusters could be one of the main factors contributing to the attractiveness of regional ns. Cluster theory and regional development have each been the subject of considerable scientific research. While the benefits of proactive public policies for the promotion of a country or the enhancement of regional development are undeniable, a combination of competitive and cooperative relationships between colocated firms can be expected to promote better learning, improved innovation, and thus greater competitiveness of firms and industries located within a cluster. In 2000, Porter completed his approach by linking the cluster to a regionally integrated value chain supported by public authorities, more or less formal social networks, and relationships between producers, suppliers and customers. This approach has been widely discussed within the scientific community. The work of Asheim (1996) and Morgan (1997) show that cooperation and collective learning within regional networks allow innovation and competitiveness to be promoted within firms and regions. According to Cooke (2004), the innovative policies of regional clusters play a key role in the economic growth of underdeveloped areas. Although the proximity of actors within a cluster does not make the regions totally immune to economic crises, it can make them more resilient in times of crisis (Potter & Miranda, 2009).

The beneficial effects of a cluster occur naturally, without the need for public intervention. However, public policy can also play an important role in the emergence and development of successful clusters, for example by supporting research collaborations and the creation of networks, and by providing infrastructure and funding for education and training. Public policies can also contribute by coordinating and mobilizing key stakeholders around a common vision for the cluster's development. Over the last decade, regional initiative clusters have become a privileged lever of intervention and action for public authorities (Mills, Reynolds, & Reamer, 2008; OECD, 2007).

In Europe, these initiatives are driven by the European Commission, which launched a European Cluster Observatory project, the aim of which is to permanently monitor the dynamics of the most innovative clusters, and to establish a common methodology for the European Union. Since the 1990s, several European countries have implemented policies designed to promote the emergence of regional clusters (Salvador & Chorincas, 2006). Each country's approach is different, as are national and regional contexts, in particular in commercial environments, institutional frameworks, and business cultures. Nevertheless, some common features can be observed in these differing approaches: public authorities play a strong incentive role and accompany the actors in a structuring process.

In France, the willingness of public authorities to structure local and regional development became a reality in May 2004, when Christian Blanc[1] sent a report to the Prime Minister highlighting the fact that "The organization of the national territory into a set of networks is a decisive factor for competitiveness". A year later, on 12 July 2005, the CIAD[2] agreed to assign 1.5 billion € to the financing of all competitiveness clusters. The concept of competitiveness clusters therefore assimilates regions as structures that are capable of linking businesses and innovation. This is defined by four characteristics (Pecqueur, 2007):

1. The economic development strategy of the cluster must have regional roots, and be consistent with the local development plan.
2. The cluster must have international visibility.
3. The mode of governance among actors must be effective and of high quality.
4. Candidates for labelling projects must be the "creators of synergy in research and development and produce new wealth with a high added value".

Since 1971, competitiveness clusters have been labelled and Brittany has been distinguished by the creation of four clusters. Two are globally oriented ("Images and Networks" in Lannion and the "Pôle Mer Bretagne" in Brest) and two are nationally oriented (Valorial "Food for the Future" and "iDforCAR" in Rennes). The Pôle Mer Bretagne cluster has approximately 360 members, large enterprises, SMEs, research centres and higher education institutes. The particularity of Pôle Mer Bretagne is that approximately 50% of its members are small and medium-sized enterprises (SMEs)[3], and that the activities found within this cluster are highly diverse, covering a broad panel of skills and occupations including those related to the pleasure boating sector.

Cluster policies are designed to unite the different actors involved in local economic development, such as national institutions, local state institutions (Regional Councils, General Councils, local organizations), political parties, labour unions, local non-state institutions (consular posts), mixed-economy firms, and supranational institutions, among others (Moulaert *et al.*, 1994). The necessary restructuring of a region's economy, as well as competition between regions, requires the implementation of increasingly active cluster policies. This requires careful thinking on the part of public authorities: to select structures that are better adapted to the development of corporate competitiveness and innovation.

**Public policy and incentives**

The attractiveness of regions is a subject of public policy. Although the state may not be in the best position to create innovative industries vis-à-vis the firms themselves, it can influence the business environment, by offering favourable conditions or opportunities to promote and control creation and/or cluster development (Andersson *et al.*, 2004; Hospers & Beugelsdijk, 2002). The state can act in numerous ways, especially in the case of transport (road, rail, sea, and air), infrastructure, and energy. It may be noted that today, many of these prerogatives are shared between the French regions and départements, or conceded to the private sector. The state also has financial instruments at its disposal, enabling it to act directly with firms to improve their competitiveness and assist with their development.

In concrete terms, the state can make use of two types of incentive for the development of regional attractiveness: direct and indirect incentives (Potter & Miranda, 2009; Cooke 2002; Gallardo & Stich, 2013; Kaiser, 2003; Mills *et al.*, 2008; Rosenfeld, 1997; Uzinidis, 2010). Direct incentives include:

- Financial incentives (investment funds from national or regional governments and agencies, recruitment premiums, and subsidies);
- Fiscal incentives such as a decrease in overall tax burdens and temporary exemptions from taxes or employer's contributions.

Indirect incentives include:

- Provision of infrastructure and corporate zones;
- Provision of Economic Development Agencies whose role extends to the provision of incentives, network structuring, collaboration, the exchange of shared information, and the creation of Local Productive Systems or Competitiveness Clusters.

On this subject, two theoretical positions can be identified. First, the constructivist (interventionist) approach is based on concrete examples and practical experience, used to assert that public authorities play a key role in the creation and institutionalization phases. Public interventions are thus designed primarily to foster reconciliation, connections and interactions between different components, through local clubs, connective systems and interactive platforms. Second, their purpose is to concentrate similar and/or complementary activities and organizations (through funding, subsidies for the creation of specialized services or the provision of specific facilities). Finally, the aim of major public investments is to reproduce the characteristics and key resources of the most successful and dynamic clusters (Feldman *et al.*, 2005). In general, three justifications are given for public intervention in the development of clusters (Potter & Miranda, 2009): (1) market imperfections; (2) malfunctions and imperfections in the provision of public goods and services; (3) the systemic failures that result from a mismatch between the expectations and interests of local institutions and actors.

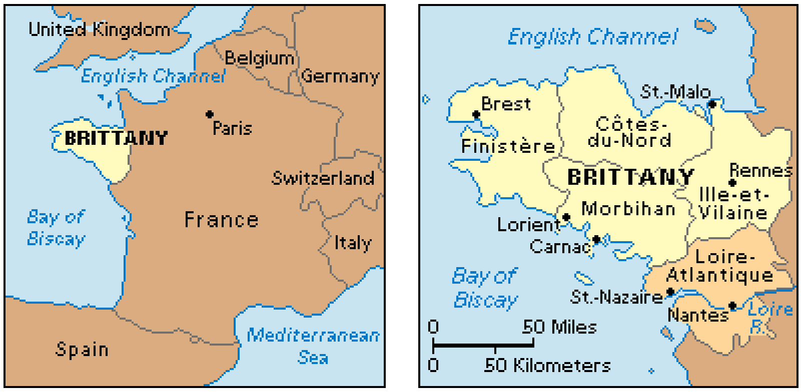
A second intermediate approach recognizes that although the market and private actors are the main vectors for the emergence, growth and organization of clusters, public policy can play a significant role in supporting and accompanying them (Roelandt *et al.*, 2000). The role of public institutions then becomes more indirect and peripheral, and involves mainly: (1) being the facilitators and intermediaries of innovative activities within a given industry; (2) establishing dialogue between the relevant actors; (3) more generally, creating the framework and conditions necessary for the emergence of a collective action and partnership system in which private initiatives and leadership remain dominant (Cooke, 2002; O'Gorman & Kautonen, 2004).

Although many studies have analysed the role of cluster policies, few have dealt with evaluating and assessing the effectiveness of these policies (Sölvell, 2009). How much do we know about the effectiveness of these policies? To what extent have they been evaluated? According to Wolman & Hincapie (2015), it is important to proceed to systematic and objective studies to be made of the effectiveness of public action on the development and success of clusters. We know that in Anglo-Saxon countries, where the role of the state is less pronounced, and where there is no tradition of state technical expertise, such assessments rely more frequently on independent professional experts (Perret, 2001). In France, while the practice of evaluating public policies is well established at the regional level (*e.g.*, through the use of policy assessments or regional development programs established by the European Commission), this is rare at state level. Although some evaluations can be noted[4], none of those dealing with cluster policies were instigated by businesses.

**Pleasure boating sector in Brittany**

Pleasure boat (yacht) manufacturing is a specialized industry, in which France plays a dominant role, with this sector representing more than half of its export sales. The market is global, and during period from 1997-2008 it experienced an average annual growth of 7%. In Europe there are eleven main pleasure boat manufacturers: Dufour, Fountaine Pajot, Catana, Alliaura Marine, Beneteau-Jeanneau group (France), X-Yachts (Denmark), Del Pardo (Italy), Etap (Netherlands), Elan (Slovenia), Marine Project (Great Britain) and Hanse (Germany), each of which has an annual revenue in the range between 10 and 20 million euros. The core market now corresponds

**FIGURE** 1 Map of the Brittany region.




Source: [http](http)

to boats ranging between 33 to 50 feet (10 to 15 meters) in length, which are purchased for a clearly defined purpose: 28% of pleasure boat owners have already owned several boats, are looking for improved comfort, space and performance, and intend to purchase a new boat. They generally aim for "one more meter", without seeking to pursue activities other than family outings.

In France, when all of its components are included, *i.e.*, production, distribution and services, the pleasure boating sector represents a total of 5069 firms, generating a revenue of 4.5 billion euros, and employing more than 41,000 people in 2012. France is Europe's first, and the world's second manufacturer of pleasure boats (the Beneteau-Jeanneau group has the first world ranking for the construction of sailing boats). More than 63% of France's production is exported within Europe, (mainly to Germany, the United Kingdom, Spain and Italy) and to the United States.[5]

The pleasure boating sector in Brittany, along with all other coastal leisure activities, has been constantly growing since the end of the Second World War, and has the distinct characteristic of sharing the same space with older activities such as traditional and industrial fishing. It is centred around leisure, which requires a costly infrastructure as well as a well-established regional development strategy, in particular in terms of ports, mooring areas, and access to the sea. The activities of pleasure-boating sector professionals (based on the 500 members of the Federation of Pleasure boating Industries) can be broken down as follows: distributors: 37%, services: 10%, manufacturers: 15%, engine firms: 2%, charter firms: 14 %, river charter firms: 4%, equipment suppliers: 13%, and importers: 5%.

In the region of Brittany, the maritime and leisure economy brings together professionals specialised in pleasure boats, ports, nautical tourism, and educational and sport boating. The vast majority of the approximately 1,000 Breton firms involved in pleasure boating are very small, small and medium-sized firms with fewer than fifteen employees, and are located mainly along the Atlantic coast between the cities of Saint-Nazaire and Brest (Figure 1).

The economic activities associated with boating and maritime leisure in Brittany are highly susceptible to variations in the economic environment. This sector was growing vigorously until 2008 (+8.8% according to the French Federation of pleasure boating Industries). According to the French Federation, the financial crisis clouded its growth perspectives, as a result of the economic slowdown in the United States and Europe. Global economic contraction, the increase in interest rates for loans, and the decline in financial market activity led to a crisis in the pleasure boating sector that has continued until the present day.

Brittany's motivation to improve the structuring of its pleasure boating sector started approximately fifteen years ago, and was driven by the desire to harness the region's strong maritime identity and reinforce its attractiveness. The actors involved (businesses and public actors) initiated discussions and implemented incentive measures to improve the performance of firms in the sector, and to provide them with the means to resist global economic changes. Thus, several prospective studies were organised in order to determine the best strategies for improving the sector's competitiveness[6]. Within the framework of the *Ateliers Techniques Régionaux* (*A. T. R.*) [Regional Technical Workshops] initiative, a so-called *Programme d'Action Régional pour le Développement International* (PARDI) [Regional Action Program for International Development] was set up on December 5th, 2001 by the Brittany region, in partnership with the French Ministry of Economy and Finances, the International Chamber of Commerce, and the Brittany Regional Chamber of Trades [*Chambre Régionale des Métiers de Bretagne*]. This program was a decisive factor in the structuring of the pleasure boating sector. By serving as the first step towards "characterisation of the sector", it was incorporated within the framework of an inter-regional multi-year program entitled "*Nautisme en Atlantique, tous à bord*". This was a collective action programme jointly piloted by the Regional Chambers of Trades from the Brittany and Poitou-Charentes regions, and was also associated with the Regional Directorates of Foreign Trade [*Directions Régionales du Commerce Extérieur*] from the Atlantic coastal regions of France: Brittany, Pays de la Loire, Poitou-Charentes, and Aquitaine. PARDI was designed to promote the following initiatives: 1) identify firms working in the sector; 2) improve awareness, modernise and prepare these firms; 3) inform, observe and understand the markets; and 4) lead collective missions on foreign markets.

**TABLE** 1. Comparison of the different methods of intervention taken by public and mixed actors in the nautical sector in Brittany.

| | *Direct Aid* | *Cluster strategies* | *Indirect approaches* |
|---|---|---|---|
| Economic Agency of Brittany | | x | |
| Regional Social and Economic Council of Brittany | | x | |
| Regional Fund for Trades and Crafts | | x | x |
| General Council of Morbihan | x | x | x |
| Chamber of Commerce and Industry of Morbihan | x | x | |
| Lorient-Technopole: Eurolarge Innovation | | x | x |
| CCI 29 [Chamber of Commerce and Industry of Finistère] | x | x | |
| General Council of Finistère Nautisme en Finistère | x | x | x |
| Cornouaille Area Public Interest Group | | x | |

Source: Authors

According to our analysis, fifteen public and mixed actors[7] are involved in structuring the pleasure boating sector in Brittany[8]. Some intervene directly in commercial economic activities, by offering fiscal subsidies, aid, or tax exemptions (Chambers of Commerce and Industry, General Council). Others offer indirect approaches (topical seminars, informational events), providing forums for the sharing of information without restrictions, as is the case with Eurolarge Innovation. Many actors claim that these indirect approaches are the most suitable procedures for firms in the pleasure boating sector, which place a high value on independence and secrecy. It should be noted that in southern and western Brittany most actions undertaken by local and regional governments are focused on group dynamics, clustering, networking, and the development of research and innovation. This geographic zone includes nearly 70% (*i.e.*, 48,000) of the 70,000 marina berths available in Brittany[9]. The growing incentives developed by public and mixed actors are often different from one another, as they are driven mainly by policy choices whose objectives can vary in both form and content.

### Methodology

This study was carried out in three distinct phases that successively combined qualitative and quantitative approaches.

1) Qualitative interviews, involving a coding and content analysis phase, were carried out to gain a better understanding of the incentives developed by public authorities, and to formulate hypotheses. Among the 150 actors contacted (public and mixed actors, firms in the pleasure boating sector), 21 were interviewed in 2009. The choice of interviews was made on a voluntary basis, and all were semi-structured. They were carried out under clearly identified topics, which served as informal guiding themes. As the interviews had to be free from any constraints, each interviewee was invited to speak freely about any subject.

   Some interviews treated a large number of topics, while others did not. All of the interviews lasted 60 to 90 minutes. The three main topics used in the interviews were the following: 1) globalisation of the economy and its impact on firms and regions; 2) relationships between networks, regions, and the attractiveness and performance of firms; and 3) the actors' roles (public or mixed, and private). The qualitative data was subjected to content analysis, which revealed centres of interest and the participants' particular concerns (Thiétart, 2007). Three phases were deemed necessary: collection, coding, and analysis. The coding phase broke the interviews down into units of analysis, allowing them to be grouped by category.

2) Hypotheses were then formulated, on the basis of the conclusions of the qualitative interviews.

3) Finally, through the use of a questionnaire, a quantitative study was made of a larger sample of firms in the Breton pleasure boating sector. The list of firms was derived from the Regional Trades and Crafts Fund database that can be consulted via the *Bretagne Info Nautisme* website. A reduced database of 621 firms with known electronic addresses was selected. These were grouped together according to their physical addresses (département). The Google Docs survey tool was used to administer the questionnaires online. An email containing instructions and a link to the questionnaire was dispatched on 07/03/2010, and the site was finally closed on 20/03/2010. A telephone reminder was sent out three days after the initial mass e-mail. Altogether, the message server invalidated 83 responses, and 164 were recorded, resulting in a 30.48% total response rate. Our questionnaire contained 14 questions, of which 4 were related to the responding firm's data sheet. The questionnaire was constructed in the form of an even-point Likert scale, which precluded neutral values and led the respondents to express a clearly defined opinion or position.

   The data were analysed using the SPSS PASW Statistics 18 software package. Once the univariate analysis had been completed, the initial results were supplemented by a bivariate analysis, which confirmed the dependence between pairs of variables. To better understand the firms' behaviour with respect to the group of variables, a

**TABLE** 2. Surveyed companies by years in business.

| *Age* | *Number of companies* | *Percentage* |
|---|---|---|
| Less than 1 year | 8 | 5 |
| 1 to 5 years | 50 | 30 |
| 5 to 15 years | 58 | 35 |
| More than 15 years | 48 | 29 |
| Total | 164 | 100 |

Source: Authors

**TABLE** 3. Surveyed companies by status in a local organized network.

| *In local network* | *Number of companies* | *Percentage* |
|---|---|---|
| Yes | 25 | 15 |
| No | 139 | 85 |
| Total | 164 | 100 |

Source: Authors

**TABLE** 4. Surveyed companies by presence in a département-organized network

| *In départment network* | *Number of companies* | *Percentage* |
|---|---|---|
| Yes | 54 | 33 |
| No | 110 | 67 |
| Total | 164 | 100 |

Source: Authors

**TABLE** 5. Surveyed companies by membership in a region-organized network.

| *Regional network* | *Number of companies* | *Percentage* |
|---|---|---|
| Yes | 29 | 18 |
| No | 135 | 82 |
| Total | 164 | 100 |

Source: Authors

follow-up treatment of the data was performed through the use of principal components analysis and typological analyses.

**Results**

The qualitative method of analysis allowed intra-site matrices (corresponding to each qualitative interview) and intra-site meta-matrices to be created, which were then classified by category (actors, objectives, current strategy, recommendations, strengths, weaknesses) (Miles & Huberman, 2003). The results show that the pleasure boating sector has varied characteristics, and that the incentives established by public or mixed actors can have different forms. According to the public actors, the high concentration of innovative pleasure boating firms, anchored in a region with a strong maritime tradition and identity, legitimises their role as strategic orientators, as well as their involvement in the sector's structure. Mixed actors more commonly adopt a leadership role, aiming to improve the region's competitiveness and attract firms that create added value, as well as jobs.

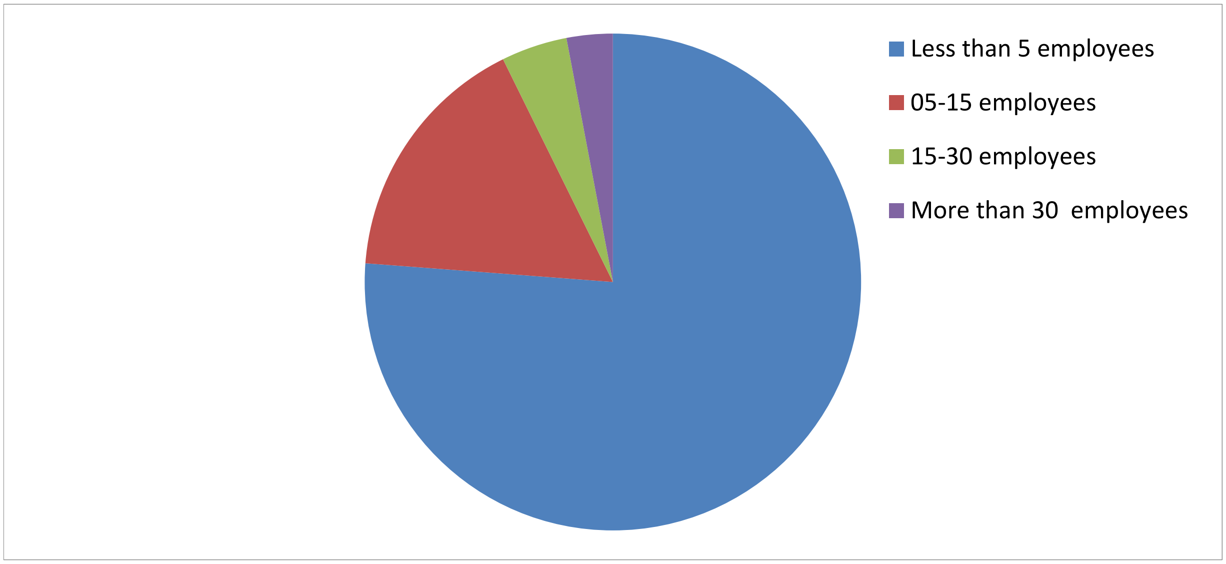
Businesses in the pleasure boating sector are mainly small- or mid-sized firms of a non-industrial character, which attach considerable importance to their independence. Although they are rarely active at an international level, they are nevertheless affected by globalisation. Those that are more industrialised sometimes adopt delocalisation strategies in response to the changes in their environment. Their home regions are often in competition. Although some entrepreneurs may not see the immediate need for collaboration, they all recognise the importance of promoting skills and of the synergy created by proximity, attracting different specialities to a single region. Some entrepreneurs have already implemented collaborative projects by innovating, promoting research and development (R&D), and seeking to break through to the international stage. Conscious of the dangers of isolation, they work together on collaborative projects and join commercial networks.

The incentives most often used are the creation of *Zones d'Actions Concertées* [Concerted Action Zones], land use initiatives, operating grants, and appropriate taxation. Among the fifteen identified in the pleasure boating sector, nine actors were selected, for whom we are able to categorise their preferred procedures and actions, in terms of the economic development of the pleasure boating sector in Brittany (Table 1).

All of the public and mixed structures are found to adopt cluster strategies, with four out of nine utilising direct economic aid, whereas four made use of an indirect incentive approach based on the development of informal relationships and topical events such as seminars. The results of this study indicate that two-thirds of firms in the sample consider the indirect incentive and collaborative approach to be a method of governance in the pleasure boating sector is more effective than direct economic action. In addition, redundancies in interventions and the involvement of multiple public actors in the pleasure boating sector in Brittany are noted. Difficulties in coordination are exacerbated by competition between regions, as well as the opportunistic strategies applied in so-called innovative sectors.

All public and mixed actors wish to lead innovative projects as they contribute added value. In the end, the results obtained through this analysis reveal considerable disparities at the level of public authority involvement in the structuring of the Breton pleasure boating sector: 1) the Ille-et-Vilaine département: no pleasure boating policy; 2) the Côtes-d'Armor département[10]: occasional developmental aid, limited by the quality of its maritime infrastructure; 3) the Finistère département: the N.E.F. [*pleasure boating activities in Finistère*] structure has recently become involved in the commercial sector, at the request of its supervisory authority, the General

**FIGURE** 2. Breakdown of surveyed companies by number of employees.




Source: Authors

Council of Finistère; 4) the Morbihan département: affirmative policy to attract firms, including those from other regions - example: CDK, a naval construction firm, partially relocated from the town of Port la Forêt in south Finistère. As noted by the project manager from the Economic Agency of Brittany: "In Brittany, there is a preference for pleasure boating activities on a banana-shaped axis, which begins in the bay of Quiberon[11] and extends up to Brest. Behaviours influenced by inter-département competition can in some cases put a damper on development".

Our analysis of the elements recorded during the interviews led to the elaboration of the following six hypotheses and the design of a quantitative questionnaire targeted for firms in the pleasure boating sector:

H1 Research and development create conditions that favour collaboration between firms.

H2 Innovation creates conditions that favour collaboration between firms.

H3 An increased number of actors reduce the efficiency of regional economic action.

H4 Competition between regions limits the efficiency of regional economic action.

H5 The cluster strategies implemented by mixed or public actors are adapted to ensure the economic development of firms in a given region.

H6 The indirect incentive approach is a more effective form of governance for the pleasure boating sector than direct economic action.

As presented in the methodology, two consecutive analyses were performed - univariate and bivariate analyses, based on the results of the questionnaire. The univariate analysis reveals that the principal activity of the surveyed firms focuses mainly on service maintenance activities and the sale of boats and equipment. The majority of firms are located in the Morbihan, followed by the départements of Côtes-d'Armor and Finistère. We find that 92.7% of firms have less than 15 employees, and a large majority of these firms have less than 5 employees (76.2%): see Figure 2. Although the firms in the pleasure boating sector comprise mainly small-sized businesses employing less than five people, these are nevertheless strong and well established in their region. Of these firms, 64.7% were created more than five years ago, and 29.3% have more than 15 years of experience. The proportion of young firms is small (Table 2).

Our analysis shows that firms take advantage mainly of the networks organized by public authorities, when it comes to structuring their processes at the département level. However, the percentage of firms using this approach is just 32.9% of those included in the analysis. The great majority reported that they did not belong to any organised network (Tables 3, 4 and 5). It thus appears that firms engage more easily at the département level. This outcome is a consequence of the dynamic policies implemented by the General Councils: in particular those of Morbihan and Finistère.

There is a relatively low level of collaboration between firms in the pleasure boating sector and these are rarely involved in R & D processes. However, more than 60% of responding firms that belonged to a structured network enjoyed various opportunities and benefits, and 88.4% of responding firms believed that joint collaborations could be beneficial for their own development. Similarly, over 70% of firms declared that cluster strategies are appropriate solutions

**TABLE** 6 Counts of firms by size by département

| *Département* | | *Firms by number of employees* | | *Total* |
|---|---|---|---|---|
| | | *Less than 5* | *More than 5* | |
| Finistère | Number of firms | 30 | 10 | 40 |
| | *Percentage of firms* | *75%* | *25%* | |
| Morbihan | Number of firms | 61 | 25 | 86 |
| | *Percentage of firms* | *71%* | *29%* | |
| Côtes-d'Armor | Number of firms | 36 | 10 | 46 |
| | *Percentage of firms* | *78%* | *22%* | |
| Ille-et-Vilaine | Number of firms | 21 | 4 | 25 |
| | *Percentage of firms* | *84%* | *16%* | |
| Total | Number of firms | 125 | 39 | 164 |

Source: Authors

for the economic development of a sector.

It should be noted that the incentives offered by public authorities are widely perceived as being positive and beneficial. Firms have strong expectations in terms of effectiveness or the results arising from public action. However, these firms seem to consider that public authority involvement is better accepted when an indirect approach is used. Direct interventions in the form of tax relief or subsidies are certainly perceived in a positive light, but may be felt as an intrusion with respect to the decision-making prerogatives of firm directors, as such interventions are often accompanied by compensating factors. These directors prefer less formal *(i.e.,* indirect) actions, where each participant may contribute, but still manage some information, whilst maintaining access to different sources of information contributed by other participants. This is confirmed by the degree of natural distrust when it comes to collaborative R&D projects, in which the assumed risk is that of unwittingly divulging confidential information to competitors. This is why more than 80% of respondents consider that innovation, as opposed to R&D, creates conditions favouring collaboration between businesses. Unlike the concept of R & D that for respondents evokes a sensitive strategic area related to value creation and specific comparative advantages, innovation does not seem to lead to the same comments among managers. Finally, redundancies in interventions and a multiplication of public actors in the pleasure boating sector in Brittany are noted. The majority of respondents (64%) indicated that competition between regions is not an obstacle to the effectiveness of regional economic action. The multiplicity of public actors in a given sector does not lead to positive responses from any of the firms.

Bivariate analysis confirms that the Morbihan département offers a more adequately developed structure for employees than other départements (Table 6: 29.1% of firms have more than five employees, as compared to 25% of those in Finistère, 21.7% of those in Côtes-d'Armor and 16% of those in Ille-et-Vilaine). This confirms the greater development maturity and density of this sector, when compared to that of other départements. It was also observed that firms in the pleasure boating sector in Morbihan support membership in a département network, whereas Finistère has the highest rate of firms belonging to an organised regional network. Thus, in the Morbihan département there are structuring policies and specific incentives (Development Agencies of Lorient, SPL (Local Productive System) of Vannes, General Council of Morbihan). The strong membership at the regional level in the presence Finistère département is probably due to the of "Pôle Mer Bretagne", located in Brest. Although it is labelled as a worldwide competitiveness cluster, Pôle Mer Bretagne is clearly much better known by firms from the pleasure boating sector in Finistère, than in other Breton départements. The départements of Ille-et-Vilaine and Côtes-d'Armor are characterised by a low network membership, due to the lack of clearly identified and structured incentive policies at département or regional levels, or within the recently established policy established by the Economic Agency of the Côtes d'Armor.

Direct economic aid is always perceived as positive, no matter the amount, and regardless of the département. This is logical, as such aid typically includes subsidies, financial aid, or tax exemptions. This analysis clearly shows that indirect incentives are preferred in départements with better structures for public action, *i.e.*, Morbihan and Finistère. Finistère is probably affected by the presence of Pôle Mer, which is not directly covered by public actions, but encourages collaborative process between firms, whereas in Morbihan different forms of indirect action are initiated by the General Council and the Eurolarge group innovation. It should be recognised that collaborations are better viewed by firms when they wish to avoid putting their strategic interests at risk. The multiplication of public actors is generally considered to be a hindrance to the effectiveness of public action, whereas competition between regions is not perceived as a negative variable.

Lastly, the principal components analysis has three "factorial axes"; the first represents 34.62% of the total information alone, and the three together represent 71% of this information. These axes are formed from the correlations between seven variables. Strong interdependent relationships thus appear between the following variables: "cluster strategies", "indirect incentives", "R&D projects", and "innovation" on one side, and "multiplication of actors" and "competition between regions" on the other. The "direct economic aid" variable is not correlated to any of the others, yet still represents a significant coefficient, allowing it to serve as a component in and of itself. The typological analysis, which is complementary to the factorial analysis, revealed that the following three groups of firms had different views on the questions:

**TABLE** 7. Comparison of hypotheses and identified groups.

| | | *Collaborators* | *Sceptics* | *Opportunists* |
|---|---|---|---|---|
| H1 | (R&D) | - | --- | = |
| H2 | (Innovation) | +++ | + | +++ |
| H3 | (multiplication of actors) | +++ | ++ | --- |
| H4 | (competition between regions) | +++ | -- | --- |
| H5 | (cluster strategies) | +++ | + | +++ |
| H6 | (indirect incentive approach) | +++ | --- | +++ |

Source: Authors

- Group 1, the collaborators, take actions showing a desire to collaborate, as in the case of R&D projects, cluster structuring, and innovative projects. For these firms, public action is perceived to be positive, no matter what form it may take; they remain vigilant to possible redundancies between the different actors and the implied competition that results. In this group, firms employ between 15 and 30 people; these firms are also younger. They are located mainly in the Morbihan département, and make up 70% of the "sales/equipment" activity. It should also be noted that although these firms endorse département and regional organisms for the structuring of their sector, they represent a small percentage of the total number of firms. When they become part of an organised network, they benefit from significant advantages: belonging to a cluster appears to be the best solution for ensuring their continued development. Receiving direct economic aid is a welcome incentive. All of these factors involving R&D, innovation, and indirect incentives, are perceived as useful.

- Group 2, the sceptics, holds a largely negative opinion of public action in any form, direct or indirect. The sceptics also consider that such actions are taken as part of a competitive effort, which they view as rendering it ineffective. This group includes the majority of Morbihan firms and 50% of those in the boat construction industry. These firms retain no form of structural organisation, whether on the local, département, or regional level; they have predominately negative opinions on the concepts of sectors and clusters. Any kind of collaborative action such as R&D or innovation is considered to be unnecessary.

- Group 3, the opportunists, has a positive view of public action, provided it remains indirect. This group is not in favour of direct economic aid, which is perceived as interfering with business operations. The increasing number of different public actors is not considered to be an impediment to their efficiency; freedom of action is a core tenet of their beliefs. This group comprises 50% of "maintenance/repair" firms, as well as the "Schools/teaching" category. Membership of these firms in organised, local networks is more prominent than in other groups. They consider their membership in an organised network to provide them with tangible benefits, and are thus in favour of cluster strategies.

Table 7 compares our different hypotheses with the analytical results, and summarises the characteristics revealed in each group of firms.

Hypothesis H1, in which research and development creates conditions favouring collaboration between firms, has not been verified. R&D partnerships between firms operating in the pleasure boating sector (comprising mainly very small businesses) are often considered to be financially inaccessible, *i.e.*, inadequate for their structures. These very small businesses also perceive the voluntary sharing of information required by this type of collaboration as a potential threat. Conversely, H2 is validated by the responses given by these three groups. Working on innovative issues is probably considered to be less restrictive, and probably less strategic than the major concerns of R&D.

The large number of actors is generally considered by these firms to be an impediment to the efficiency of their actions. Thus, hypothesis H3 is validated and demonstrates a form of redundancy in public action. Local, département, regional, and national bodies frequently play a role in the structuring of industries, and actuate the levers that highlight either contradictory issues of concern, or the absence of synergy in their procedures. Competition between regions is not viewed as an impediment to the efficiency of regional economic action (H4). The strong regional integration of firms, and the associated feeling of belonging, are the reasons for which the notion of inter-regional competition is not perceived negatively, but rather as an encouraging reality. This leads us to reflect on the actions taken to attract Finistère firms to the region surrounding the city of Lorient (Figure 1). The results highlight the fact that firms generally believe that isolation, in a globalised context, can have a potential impact on their performance. They know that the uncertain environment in which they are growing, the swiftness of macroeconomic changes, and the arrival of new competitors are all the more difficult to resist in isolation. Grouping in clusters may thus provide solutions for their concerns (validation of hypothesis H5). Lastly, H6 is validated by the responses from two-thirds of the groups; the results of hypotheses H6 and H2 can thus be connected. These results are explained by the fear expressed by firms that their management systems could be interfered with, since offers for direct aid are frequently accompanied by compensatory requirements or conditions. In our qualitative interviews, we found that the specific study carried out by Eurolarge Innovation (Table 1) is often praised by its corporate members. Throughout the year, this structure offers a program of sector-specific thematic meetings. Its role is to guide business networks in technology and management issues.

**Conclusion**

The aim of this paper is to present the incentive policies offered by regional authorities, and to show how businesses in Brittany's pleasure boating sector assess these policies. This research provides us with deeper insight into the subject of direct and indirect corporate incentives. Although existing studies discuss such incentives, paradoxically, few mention the business world's perception of the measures proposed by public authorities.

By identifying the different actors in the pleasure boating sector, light can be shed on their various methods of action, whether direct (as in the case of subsidies and tax relief or exemptions) or more participatory (*e.g.*, the coordination of informal meetings or topical seminars). The results show that firms endorse cluster strategies and favour indirect incentives over direct economic aid. The methodology used in the present study also identified three different categories of firms (collaborators, sceptics, and opportunists,) each with their own degree of distrust for R&D partnerships.

The French government became aware of a lack of collaboration between SMEs, and since 2009 has developed new support tools for these firms. These include a new type of cluster of intermediate size, designed to bring SMEs together, in a cross-chain value. Since October 2010, these "small" competitiveness clusters have been financed by the DATAR[12]. They are made up mainly from SMEs whose resources are insufficient to ensure their market intelligence, training and marketing studies. This tool can also assist SMEs with the submission of public procurement procedures, or even put them in contact with other SMEs for the initiation of R&D efforts and innovation partnerships. On the other hand, this tool designed by the French government is not sufficient, alone, for the initiation of collaborative endeavours. Bringing firms, researchers, schools and universities together at a single location is not necessarily synonymous with success. We have shown that the SMEs in the pleasure boating sector in Brittany seldom collaborate and are rarely involved in shared R&D processes. If firms do not usually work together, there are privacy issues, or they have diverging interests, considerable time and effort is required to establish collaborative relationships. Government support nevertheless remains essential because, although collaborations may not necessarily be established and financial grants do not guarantee the success of a cluster, it is important to recognize that without this proactive policy, French competitiveness clusters would never have emerged.

The results of this research could be used by public or mixed actors in order to: improve the targeting of firms having positive opinions on incentive policies; and achieve an improved classification of intermediation techniques. This could also allow for the formulation of a wider consensus among the firms involved, as well as a greater degree of efficiency in their procedures. Although most firms endorse the concept of clusters, the means by which they are structured and governed remain a subject of debate.

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[1] Christian Blanc, Deputy for "Les Yvelines" département, assumed the role of cluster specialist intermediary.

[2] Comité Interministériel d'aménagement du Territoire: Interministerial Committee for Land-use Planning

[3] Currently, the main criticism leveled against French competitiveness clusters is that their members are mainly large industrial corporations. These are large groups having the means to externalize a significant proportion of their staff, in order to benefit from public grants. This is not really the case of Pôle Mer Bretagne, in which a large number of SMEs have invested and pilot projects plan to be labelled.

[4] Regional Council of Brittany. 2008. "Evaluation of the regional policy of for competitiveness clusters".

[5] French Ministry for Sustainability and Energy, The boating industry economical sector, 2013, 29 of November, updated 11th June 2015: http

[6] The General Council of the Morbihan département, in partnership with the Brittany Chamber of Commerce and Industry as well as the Economic Agency of Brittany, launched a diagnostic test of the pleasure boating sector in 2005; in 2007, a guide for département aid for the development of the pleasure boating and naval construction industries was published. URL (in French):http. The *Association Nautisme en Finistère* [Association for Sailing in Finistère] regularly publishes studies presenting situational analyses of the sector in that département. URL (in French): http.

[7] Mixed actors are mixed-economy companies.

[8] The *Fédération des Industries Nautiques* [Federation of Pleasure boating Industries] and the *Chambre Syndicale de la Région Ouest* [Chamber of Unions of the Western Region]; the Economic Agency of Brittany; the Regional Council via ARPEF [Regional Aid For Small Companies in Industries], a process in which the pleasure boating and naval construction sector is a priority; the *Conseil Economique et Social Régional de Bretagne* [Regional Social and Economic Council of Brittany]; the General Council of Morbihan; the General Council of Finistère

(*Nautisme en Finistère*); AUDELOR (*Agence d'urbanisme et de développement économique du pays de Lorient*) [Urban Planning and Economic Development Agency of the Lorient Area]; the Chamber of Commerce and Industry of Morbihan; the Chambers of Commerce and Industry of Finistère united under the title *CCI 29*; the *Groupement d'Intérêt Public (*GIP*) Pays de Cornouaille* [Cornouaille Area Public Interest Group]; Eurolarge Innovation; *Nautisme en Bretagne* [Regional Council]; *Caisse Régionale des Métiers et de l'Artisanat* [Regional Fund for Trades and Crafts]; *SAGEMOR* [Morbihan Management Company: a mixed-economy company]; SELLOR [Lorient Area Mixed-Economy Management Company].

[9] See the web portal created by the Brittany Regional Chamber of Trades. URL (in French): http, p.1.

[10] See Figure 1. The original name of Côtes-d'Armor was Côtes-du-Nord.

[11] Southern Brittany.

[12] La Délégation interministérielle à l'aménagement du territoire et à l'attractivité régionale : French administration for the Ministry of Rural Areas and Regional Planning.