### **NEWS RELEASE**

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# "France, A Social Portrait", 2014 Edition: INSEE provides fresh insights into French society

Living conditions, education, wages, standard of living, population and health, etc.: some thirty themed information sheets, an overview and three files providing essential information backed up by comments and illustrations.

The contributions in the 2014 edition draw a portrait of the social situation in France after several years of crisis:

- After several years of crisis, what is the situation today?
- What is the new geographical scope of urban policy priority areas?
- What is known of the homeless in France?

### After several years of crisis, what is the situation today?

(see sheets 2, 4 (part 2), 3 and pages 41, 55, 109, 69, 83 of the publication)

• Between 2008 and 2013, the number of long-term unemployed increased in France (+56%)

The long-term unemployed are those who have been seeking a job for 1 year or more.

In France, against a backdrop of rising unemployment, the rate of long-term employment has increased by 1.5 points since 2008, reaching 4.0% in 2013 (1.1 million people). Since the crisis, long-term unemployment has increased in all the European Union countries, except for Germany.

In France, the crisis has hit hardest among those categories of people who were already the most exposed to long-term unemployment: those with low qualification levels, blue-collar and white-collar workers, young people, single parents and immigrants.

• The number of beneficiaries of the core Active Solidarity Income (RSA) and the Specific Solidarity Allowance (ASS) has increased and their living conditions have deteriorated

Beneficiaries of the ASS are job-seekers whose unemployment insurance entitlement has expired or who are over the age of 50 subject to certain conditions. The Active Solidarity Income (core RSA) has replaced the Minimum Integration Income (RMI) and Single Parent Allowance (API) since 1<sup>st</sup> June 2009 for Metropolitan France (since 1<sup>st</sup> January 2011 for Overseas Departments and 1<sup>st</sup> January 2012 for Mayotte).

At the end of 2012 in France, the ASS was paid to 0.4 million beneficiaries (up 27% on the end of 2008) while basic RSA was received by 1.7 million beneficiaries (+26%).

Two-thirds of persons in households having received basic RSA in Metropolitan France live under the poverty line (14.3% of the overall population).

In 2012, 26% of beneficiaries of basic RSA and 22% of ASS beneficiaries declared that they had had to deprive themselves of food purchases, which was 10 and 8 percentage points more than in 2006, respectively. In 2012, more than one in ten beneficiaries of the RSA (one in twenty in 2006) and almost one beneficiary of the ASS in five (one in eight in 2006) also declared that they had gone without healthcare.

• With the crisis, wage income is slowing down and inequalities between employees are no longer narrowing

Wage income is the sum of all wages, after deduction of social contributions, received by a person in the course of one year in private sector companies or the civil service.

Since the crisis, wage income has been progressing more slowly (+0.2% per year in constant Euros in 2007-2012 against +0.6% in 2002-2007), reaching 20,100 € in average in 2012. Differences in wage income continue to exist according to gender, age or social category. While wage differences between men and women are narrowing, the average wage of women remains 26% lower than that for men.



Between 2002 and 2007, the threshold of the 10% of lowest wage incomes increased by an average of 2.1% a year in constant Euros; between 2007 and 2012, it fell by 0.2% per year. This trend reversal brought a halt to the decline in wage income inequality that was underway prior to the crisis.

#### Between 2007 and 2011, median income progressed half as quickly as it had between 2003 and 2007

The term "income" as used here refers to the taxable income declared per consumption unit and is therefore similar, as a concept, to the notion of standard of living. However, it is the household's disposable income per consumption unit that is used to measure standard of living, while taxable income takes account neither of income tax nor of social benefits.

Median income increased from €17,500 to €19,200 per year in Metropolitan France, representing an increase that was close to half that observed over the previous five years (2007-2011: + 3.0% per year in constant Euros, 2003-2007: +5.8%). This slowdown was particularly pronounced for the income threshold of the poorest 10% of households (2007-2011: - 1.3%, 2003-2007: +7.3%).

In 2011, median annual income was €19,800 in the large urban areas, €2,000 to €3,000 more than in small and medium-sized urban areas and in zones outside the sphere of influence of cities.

In almost all the large urban areas, the increase in income was less in the centre than in the peripheral areas, except in Paris and Lyon. It was in isolated municipalities away from cities that income progressed most between 2007 and 2011: +4.8% on average per year in constant Euros between 2007 and 2011.

# • The increase in the tax burden in 2013 slightly reduced inequalities in household standard of living

This article assesses the impact on household standard of living, and the fiscal and redistributive effects of the modifications decided on for 2013 on the social-fiscal system (all direct taxation: social and other contributions, income tax) and monetary benefits (family benefits, housing benefits and statutory minimum income).

The new measures adopted for 2013 mainly resulted in an increase in the total tax burden on households, in particular income tax (+€280 on average per household paying income tax). The continued freeze of taxation scales and the employment bonus and the end of the tax exemption for overtime affected all households paying income tax.

Other measures, such as the creation of a new 45% top-rate income tax bracket, the reduction of the family quotient rebate and the reduction of the rebate for professional expenses targeted wealthier households more. The income tax of the wealthiest 10% thus increased by €800 on average. The most modest households, however, were not concerned by these tax increases as they are not liable for income tax.

# What is the new geographical scope of urban policy priority areas? (see sheet 7 and page 151 of the publication)

# • Urban policy focused on 1,300 districts with high proportions of low-income inhabitants

The Law of 21 February 2014 reformed urban policy and is now based on a single criterion: household income.

In 2014, 1,300 priority districts were identified, against 2,500 previously, in 700 municipalities. The declared objective of this newly-defined geographical scope was to focus State action on the most vulnerable populations, bringing the population covered by urban policy down from 7.8 million to a little under 5 million.

#### • The majority of priority districts are still located in large conurbations and in certain regions

The term "conurbation" in this article refers to the urban unit. An urban unit comprises a municipality or a set of municipalities forming a continuous built-up area of at least 2,000 inhabitants (see box 4 p. 157).

In the newly-defined geographical coverage, as in that applied previously, 39% of the population concerned by the policy lives in a conurbation of at least 200,000 inhabitants outside Paris, while almost one-third lives in the Paris conurbation. Half of the population in question resides in the city centre of the conurbation and the other half in the suburbs.

The breakdown between the different regions remains similar on the whole, although a number of trends can be pinpointed. The Centre, Languedoc-Roussillon and Picardy regions have more districts in difficulty. Their relative weight in urban policy has increased sharply. In the Paris region, the relative weight of the Seine-Saint-Denis department has increased, while that of the City of Paris itself has decreased.

#### • Characteristics of priority districts differ somewhat between regions

The new priority districts are home to more large families, single-parent families and job-seekers than the other districts in the conurbations around them.



A very large number of households live in social housing (64% live in "HLM" low-cost housing, against 19% in the other districts of conurbations containing priority districts). Half of the inhabitants of the new priority districts have less than 29m² per person in their dwelling, against 36m² in the other districts of the conurbations around them.

The priority districts of the Paris region and East of France are characterised by more HLM low-cost accommodation housing large families. On the west coast and in the northern half of France, more priority districts tend to be located in the city centres of the conurbations (HLM low-cost housing and one-parent families are particularly over-represented there). In the priority districts of the South of France, the population is older and residential mobility is higher.

#### What is known about the homeless in Metropolitan France?

(see sheet 5 and page 123 in the publication)

A person "with no fixed address" is a person who is housed by a welfare body or lives in a place not intended as a dwelling. In the latter case, they are referred to as "homeless".

#### • A great variety of situations in Metropolitan France

In 2012, in Metropolitan urban units with populations of at least 20,000, there were 81,000 adults and 31,000 children with no fixed address.

Among them, 45,000 adults (55%) were born abroad, of whom one-third were not French-speakers. Among those with no fixed address and born abroad, 60% were from Africa (23% from North Africa and 35% from the rest of the continent). Almost one-third came from Eastern Europe and the majority of them were not French speakers (70%). In four cases in ten, those born abroad were accompanied by children, against 15% for those with no fixed address who were born in France.

Among French-speaking persons with no fixed address, one-quarter declared that they had a job (short-term contracts, part-time work, low qualification levels).

Those with no fixed address have often had a difficult childhood and family background. One-quarter of those born in France were placed in foster families or homes during their childhood. Although they do not have frequent contacts with their families, they are not isolated socially: two-thirds of them meet friends at least once a month and almost half have received assistance from someone close to them in the past 12 months.

#### · Variable accommodation conditions, notably depending on geographical origin

One in ten of those with no fixed address is "homeless" and sleeps in the street or in other places not intended as dwellings. The others are in the various types of accommodation provided by associations or welfare bodies: 33% in collective accommodation centres which remain open during the day, 29% in dwellings, 16% in hotels and 12% in collective centres they must vacate during the day. In the Paris conurbation, home to 44% of those with no fixed address, hotels predominate (30%) and there are more people who are homeless (14%).

Accommodation conditions are more stable for families: less than 4% of those with no fixed address who are accompanied by a child were left in the street or in emergency centres which they must leave each morning. These people with children are more often proposed places in accommodation paid for by an association. However, for an identical family status, couples born abroad and accompanied by children benefit from this kind of more stable accommodation solution less often than those born in France (29% against 84 %).



#### Other subjects presented in the publication

Overview (see sheets 1 to 4 and pages 11, 25, 45 and 69)

#### Family status of private-sector and public-sector employees is similar on the whole, but differences do exist within each group

The "traditional" family is a family in which all the children in the dwelling are those of the couple, unlike in a blended family. A "large" family is a family with three children or more.

In terms of family status, the main trends are the same in the private and public sectors. 43% of private-sector employees live with at least one child under the age of 18 at home, against 45% in the civil service. 21% of private sector employees living with at least one child are at the head of a "large" family, against 23% in the public sector. 80% live in "traditional" families, against 78% in the civil service.

However, stable employment does have an effect on family status. A smaller proportion of employees on fixed or short-term contracts live with children under the age of 18. When they do live with children, a larger proportion of them are at the head of one-parent families than is the case of employees on open-ended contracts or public-sector employees. A larger proportion of teachers live with children, and they also have more children.

These differences according to employment status or the fact of being a teacher still remain even when the individual characteristics of the employees are taken into consideration.

#### • Teachers in State secondary education in 2013: overview of a profession of 380,000 people

At the start of the 2013-14 school year there were 380,000 teachers in State secondary schools for 4.6 million pupils.

Between 2000 and 2013, the number of teachers in secondary schools fell almost three times more quickly than the number of pupils. Expectations of occasionally difficult working conditions at the beginning of teaching careers are probably contributing to the recruitment difficulties encountered since 2011. Newly-qualified teachers are indeed more likely to be given postings in the Paris region (almost one in two), as supply teachers (27% of under-30s, against a figure of 8% for teachers as a whole) or in priority areas (22% against 12%).

Counting time in class and work time outside class, State secondary teachers declare that they work an average of over 40 hours a week, and 20 days during school holidays.

In 2011, State-employed secondary school teachers working in Metropolitan France earned an average full-time-equivalent wage of €2,740 net per month, bonuses and overtime included. This pay was distinctly less than that for non-teaching Category A positions (excluding category A+) in the State civil service, whose average net monthly wage exceeded €3,300 on a full-time-equivalent basis.

#### Weekends remain a time for sharing and rest

Domestic time includes household chores, semi-recreational activities (DIY, gardening, looking after pets) and parenting time.

In 2010, over-15s had one and a half additional hours of free time each day at weekends than on weekdays. Saturdays were mainly dedicated to shopping and evenings out or with family and friends. Sundays were more generally a day of rest. Shared activities such as recreational and social activities were more concentrated at weekends, even for those who work at weekends or those who do not work during the week, such as pensioners.

The breakdown of domestic time at weekends showed a shift towards greater balance within couples. In 25 years, there have been visible trends in weekend work. For example, work on Saturdays has declined (30% of those in employment worked for more than one hour on Saturdays in 2010, against 36% in 1986) while work on Sundays has increased (17% in 2010, against 13% in 1986). Weekend work has become more frequent among the self-employed and white-collar workers, but has fallen back among managers and the professions.



#### Other file (see sheet 6 and page 139 of the publication)

#### From mother to daughter: descendants of immigrants moving into professional activity

In France in 2008 there were 5.3 million people who were born abroad of foreign nationality and were therefore immigrants. The second generation, meaning people born in France and having at least one parent who was an immigrant, represented 6.7 million people. Among these direct descendants of immigrants, 1.2 million were women aged 18 to 50 who had completed their initial studies and lived in Metropolitan France.

#### 87% of women who are descendants of immigrants are in work

Women who are descendants of immigrants are slightly less active than women who have no direct link with migration (87% against 91% among women of ages 18 to 50 who have completed their studies). However, the differences are less pronounced between the daughters than they were between their mothers, whose activity rates were 51% and 62% respectively.

• The mother's position on the labour market influences the work behaviour of their daughters, whatever their origin

Among women who are descendants of immigrants, 84% of those who had a mother who did not work (87% among women with no link with migration) are active themselves, against 91% (93% of women with no link with migration) of those who had a working mother.

The continuing differences in activity rates among those of the second generation can also be partly explained by differences in age, state of health and family status.

• A lower level of qualifications among descendants of immigrants, linked more closely with social background than with geographical origin

Qualification is another decisive factor that influences the presence of women on the labour market. While the descendants of immigrants are less active than women who have no link with migration, it is mainly because they are less qualified. Any origin-driven effects on the level of activity of women would therefore appear to act via their qualification levels. For instance, 47% of descendants of immigrants have no qualifications or a sub-Baccalaureate qualification, against a figure of 42% for women having no link with migration.

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