

RAEF (ANNUAL REPORT ON THE STATE OF FRANCE):

# Inequalities, purchasing power, eco-anxiety: *act now* for a fair transition

MARIANNE TORDEUX-BITKER

With armed conflicts, persistent inflation, record temperatures in July 2023, social unrest followed by episodes of violence in the summer and autumn, 2023 had a major impact on the people of France. Their chief concerns, as revealed in the ESEC's RAEF (Annual Report on the State of France), were the extent of inequalities, purchasing power, and awareness of the impact of climate change and the efforts entailed – mainly financial. Given these concerns, the ESEC is calling on the public authorities to take coordinated, ambitious action.

## THE RAPPORTEUR

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## *An exclusive survey with a detailed focus on French people's concerns*

The ESEC Report offers a diagnosis of our country's economic, social and environmental situation to inform and influence public policy. It is divided into three parts:

→ **The exclusive Ipsos\* survey for the ESEC** provides an insight into the well-being of the French and their level of optimism for the future. It highlights two areas of concern – inequality and climate change – and assesses the ability of the French to take committed action. The survey also sheds light on the relationship with work and changes in purchasing power.

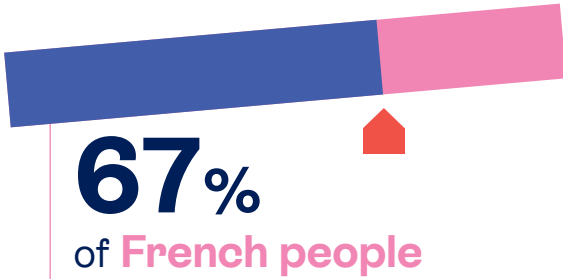
→ **The ESEC's** focus notes take a closer look at a number of topical issues, such as the capacity to implement a policy of full employment in priority urban neighbourhoods, the capacity of businesses to commit to environmental transition, France's ability to speed up renewable energy production and the potential role of digital technology in reducing inequalities in healthcare access across the country.

→ **Analyses of ten quantitative and qualitative socio-economic indicators** for 2023 complement and expand on some of the public policy issues addressed in the previous two sections:

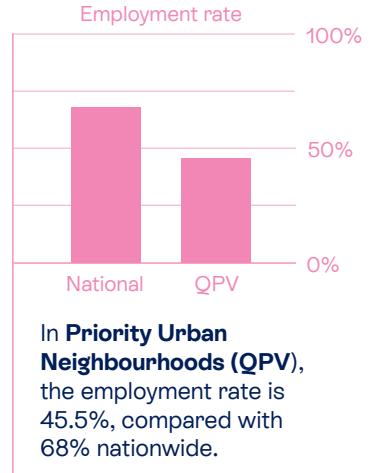
- Well-being, poverty and social exclusion (purchasing power crisis in Overseas France, life expectancy in good health, nuanced poverty measurement)
- Unequal access to public services (employment, education, health)
- Green investment and environmental objectives (reindustrialisation, carbon footprint, land take, building renovation)

\*September 2023

# Inequalities in France: deep roots creating *major imbalances*



consider the **place of residence** as the primary factor in inequality (urban/rural/suburban) as regards employment, education, health, public services and mobility.



**The increase in inequalities,** repeatedly highlighted in the analyses of this RAEF, is alarming. The place of residence, geographical or cultural origin, skin colour and gender are considered the four main causes of inequality, apart from inequalities in income and wealth, which have already been documented<sup>1</sup>. These inequalities take the form of greater difficulty in accessing employment, higher education, healthcare, public services and mobility.

## + FURTHER READING

### → EDUCATION

The Social Position and Social Mix Index (IPS) has highlighted a decline in the social and educational mix over the last 20 years, with significant disparities in both territorial and social terms. International assessments (including PISA) show that French schools are among the education systems where the social background has the greatest impact on pupils' educational trajectories. This creates a social divide, poses a risk to regional social cohesion and weakens the country's economic potential. The French people questioned cited education as the top priority in the fight against inequality.

### → Employment

According to the Cour des Comptes (Court of Auditors), the explanatory factors in priority urban neighbourhoods are the higher proportion of young people, lower levels of qualification, family structure (with single-parent families more prevalent) and the urban segregation phenomenon, with a higher proportion of immigrants<sup>2</sup>. Today, 10 years after leaving education, the unemployment rate for descendants of immigrants with higher education qualifications (12%) is over twice as high as that of people with the same level of qualification who are neither immigrants nor descendants of immigrants (5%).

### → Access to healthcare

Digital technology can be used to improve patient care, by helping to relieve some of the congestion in emergency and community medicine departments, facilitating telemedicine and providing organisational support for some procedures. However, the ESEC is calling on France to equip itself with "inclusive" digital technology: 17% of the French population is affected by digital illiteracy<sup>3</sup>, mainly older people, those living in the most rural areas and those on the lowest incomes.

<sup>1</sup> See in particular RAEF 2017 and RAEF 2022.

<sup>2</sup> Definition: an immigrant is a person born abroad and living in France (Insee).

<sup>3</sup> [Insee Première N° 1780 30/10/2019](#)

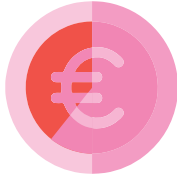
## Purchasing power: difficulties in ensuring a *decent standard of living* for part of the population

# 40%

of **French people**

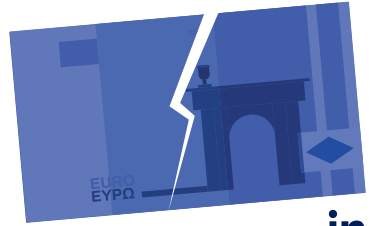
put **purchasing power** at the top of their list of **personal concerns**.

(58% for single-parent families)



Nearly...

# 1 French person



# in 2

says that their purchasing power meets just their **basic needs** or not at all.

**Continuing inflation** partly explains this loss of purchasing power. Lack of money is becoming the biggest obstacle to well-being (51%), well ahead of health issues (38%) and lack of time (30%). Finally, it reveals territorial inequalities, with Overseas French Territories particularly hard hit. These exclusive data echo the Ipsos/Secours Populaire Poverty Barometer, which revealed last September that almost one in five French people said they were living with an overdraft.

### + FOR FURTHER READING

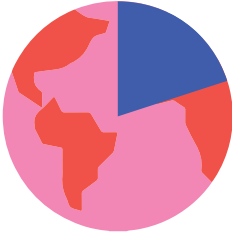
#### → Poverty

Aside from the fact that French people are increasingly anxious about inflation and the lack of money, situations of poverty vary depending on the area (mid-sized towns, rural areas, the Paris conurbation, etc.) and the type of household (working or retired, single woman or man, couple without children, single-parent family or couple with children, age of children, etc.). The "reference budget", which provides the means for a minimum family, professional and social life in good health, is very mixed, and everywhere higher than the poverty thresholds taken into account by social organisations. This raises the question of re-evaluating the social benefits that could be used to ensure a "decent standard of living" appropriate to each family structure and to the situations created by poverty (housing costs, health, childcare, travel costs, etc.). It is important to highlight the alarming situation in the French Overseas Territories.

→ **The ESEC warns of growing tensions linked to the increase in poverty and social exclusion, the saturation of support structures and the difficulties caused by poverty in accessing rights and meeting the most basic needs, as demonstrated by the increase in requests to food aid organisations.**

The rise in aggressiveness arising from problems in accessing the law, an increased sense of injustice and abandonment on the part of the public authorities, the expression of anxiety about the future and the difficulty of players in the field in responding to requests, revealed by the CNLE barometer, all need to be closely monitored.

# Eco-anxiety accentuated by the *financial barrier* to making a real commitment to the ecological transition



**80%**  
of French people  
say they are **concerned**  
about the consequences  
of **climate change**.



**80%** of French people  
say that **minimising**  
**their personal impact**  
is important to them.

THIS FIGURE RISES TO:  
**84%** with women  
**8 %** with the under-35s

**French people believe they have a role to play** and that not everything depends on the State or businesses. While awareness has clearly increased, the ability of many French people to act and commit to the fight against climate change is limited by the additional costs associated with 'green' actions (the price of organic produce, conventional products, electric vehicles or trains being higher than conventional and low-cost alternatives); these additional costs are exacerbated by inflation.

## + FURTHER READING

### → **Obstacles to action**

There is widespread awareness of the effects of climate change, and many French people have already taken action (adopting circular economy measures – 79% –, lowering the temperature in their homes). The environment is the 3<sup>rd</sup> highest personal concern for the French and the 3<sup>rd</sup> biggest barrier to their sense of well-being, almost on a par with lack of time and money. Financial constraints, exacerbated by inflation, are the No. 1 obstacle cited by our fellow citizens when considering the most impactful actions (thermal renovation of housing, low-carbon mobility). Despite these difficulties in making the environmental transition, French people are aware that the effort must be a collective one: 33% of them consider that everyone must act, ahead of the State (28%) and businesses (17%).

### → **The role of companies**

They must play their part in adapting their activities to climate change. The new European regulations and extra-financial reporting standards (CRSD<sup>1</sup>) represent an opportunity for companies – VSEs, SMEs, ETIs and large groups – to take better account of the dual materiality of their activities' impact on the planet and the constraints placed by climate change on their activities and their very *raison d'être*. However, companies will need support if they are to make a full commitment to sustainability.

<sup>1</sup> *Corporate Sustainability Reporting Directive*

### → **Governance**

AT a national level, the ESEC has noted improvements in the management of public policy on environmental planning (increasing use of the "Carbon Footprint" indicator for public decarbonisation policies) and stresses the need to speed up investment in greening the economy. The Energy and Climate Programming Act (for the financing of the ecological transition, both public and private, and its development into a multi-year financial trajectory), which was due to be promulgated by 1 July 2023, is still awaited. Given the impact of these trade-offs on our production and consumption modes and our financial flows, the ESEC is calling on the legislator to present a roadmap rapidly.