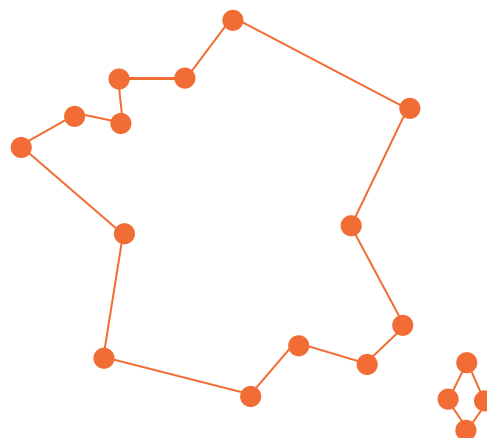





COUNTRY MONITOR



FRANCE

Social Rights Monitor 2019



For the past year, France's civic space has been dominated by the *Gilets Jaunes* (Yellow Vests) protests. In response to the protests, new legislations that have narrowed civic space have been introduced. The tax reforms that sparked the protests have largely been reversed. Nevertheless, recent tax reforms in France have overall been in favour of the very wealthy. All the while, despite a relatively effective social protection system, inequalities and material deprivation have increased compared to pre-crisis levels, especially for vulnerable groups in society. France is faced with large regional and local disparities in terms of employment, quality of education and living standards. People from poor neighbourhoods and those with a migration background face discrimination in the labour market. Precarious work continues to be an issue and working conditions have become more flexible. A recent reform to the unemployment benefit scheme for self-employed workers promises to protect them better in case of loss of employment. A drastic reform to the pension system is still in development, including consultation with citizens, but several professions have already expressed their grievances about the outcomes for their future pensions. In the Country Specific Recommendations for France these issues of increasing inequalities and regional disparities are insufficiently addressed.



Gini Index: 29.3
Unemployment: 9.1%
Gender equality index: 74.6
Youth unemployment: 20.7%
AROPE: 17.1%
Social welfare spending (as % of GDP): 24.3%
Tax on labour as share of total taxes: 51.2%
In work poverty: 7.4%
CIVICUS civic space monitor: Narrowed

Equal opportunities and fair working conditions

In recent years, France has seen a number of significant reforms to its taxation system that have had or will have great impact on the distribution of wealth. At the beginning of his mandate, President Macron reduced the so-called wealth tax, in an attempt to prevent wealthy people from leaving the country to avoid taxes.¹ In 2018, an increase in the tax on fuel was announced, sparking massive country-wide protests by the Yellow Vests. In the response to the protests, several new tax reforms were introduced, including reducing the taxation rate for the lowest two income brackets intended to relieve the tax burden on especially low-income households.² In practice, the poorest 10 per cent of households, many of whom rely on social benefits, will hardly benefit from this reform, as it is mainly geared towards employees. The planned increase in fuel taxes that started the Yellow Vest movement was eventually abandoned and extra fuel subsidies were promised instead.³

Precarious work

Over the past years, France has seen a sharp rise in various forms of precarious working conditions. Whereas employment protection has traditionally

been strong, now 85% of new employment contracts are temporary in nature. On top of that, the transition rate from temporary to permanent contracts is amongst the lowest in the EU. Since 2018, open-ended contracts have also become more flexible due to new labour *ordonnances*.⁴ Of the roughly 18% of workers that work part-time⁵, 43.2% do so involuntarily; they would prefer to work more hours, but are not offered these hours by their employer. The labour market is faced with labour market slack - people available to work but not actively seeking, those looking for work but not immediately available and involuntary part-timers - and labour shortages due to skills mismatches at the same time. The number of self-employed workers has also increased, rising from 5.2% of total employment in 2008 to 6.8% in 2017 and amounting to 20% of total job created since 2000.⁶

Equal opportunities

Opportunities in terms of education, labour market participation and access to healthcare in France vary strongly between regions and even neighbourhoods. Both long-term unemployment and youth unemployment are higher in the northeast and Mediterranean areas. Though this has since slightly improved, in 2016, unemployment in poor neighbourhoods was more than twice as high as in the surrounding areas (25.3% vs 9.9%). In line with this, experiments by the national ombudsman found that living in a poor neighbourhood negatively impacts employment opportunities.⁷

Furthermore, in poorer neighbourhoods, education outcomes at all levels are lower and drop-out rates are higher. Teachers in these areas are often less experienced and the high frequency of absences for both students and teachers means that contact hours are fewer.⁸ In addition, automation and digitalisation will impact different regions of the country in different ways. This implies that a tailored approach



to reskilling will likely be necessary.⁹ Although overall access to healthcare is good, regional disparity in health services has led to the formation of 'medical deserts'. Especially in rural areas, major towns in the Paris region and northern France doctors are scarce.¹⁰

Good practice Education reforms

In order to address the inequalities in the education system, the French government has introduced a number of reforms. From September 2019 onwards, the compulsory age for education is lowered to 3 years old, to encourage participation in early childhood education, especially for children from disadvantaged and migrant backgrounds. At the same time, class sizes will be halved in all disadvantaged schools, which is expected to have long-term positive effects on economic growth and create 120.000 jobs. In secondary education, measures to decrease early-school-leaving and to make the skills learned more relevant for the labour market were launched in 2018. There are furthermore plans to make the apprenticeship system more effective and relevant.¹¹

People with a migration background face additional challenges. Especially migrants with a non-EU background tend to be concentrated in poor neighbourhoods. In these neighbourhoods, the share of non-EU migrants is on average 30%, compared to 10% in the country as a whole. In 2017, at 55.6%, the employment rate of non-EU born in France was furthermore one of the lowest of the EU.¹² This can be partially explained due to discrimination during the recruitment process. Experiments found that candidates with an Arab sounding name and those who live in disadvantaged neighbourhoods were much less likely to be invited for a job interview than other candidates with the exact same CV.¹³

Social protection and inclusion

In general, France has relatively low levels of social exclusion (17.1% in 2017).¹⁴ However, although the social protection system is one of the most effective at reducing poverty and social spending is the highest of the EU, inequalities have risen and material deprivation has increased compared to pre-crisis levels. Poverty is an especially pressing issue for vulnerable groups in society. For example, in 2017, 32.6 % of single parents with dependent children and 20.9% of youths aged 18-24 lived in poverty.¹⁵ In 2018, President Macron announced a national strategy against poverty with specific attention for children and youths. For adults, the strategy has a strong focus on combatting poverty through employment.¹⁶

Social protection

In recent years, a number of profound changes have been introduced to various social protection benefits, often with the underlying objective to make the system less complicated, more egalitarian and more focussed on activation. Since 2018, self-employed workers are covered by the same social security scheme as traditional employees, although with different conditions.¹⁷ In June 2019, the President announced a reform to the unemployment scheme that will make the eligibility requirements for receiving unemployment benefits stricter. It also reduces the amount of the benefit after six months of unemployment.¹⁸ There are furthermore plans to reform the pension system, which currently comprises of 42 different contribution- and benefit-based schemes, and turn it into a single point-based scheme.¹⁹ The reform also includes changes to encourage people to continue working after the legal retirement age of 62.²⁰ This has led to protest from workers in several sectors who fear they will be worse off under the new system.²¹ Trade unions have voiced concerns about the effect these reforms will have on the



social protection system's ability to prevent people from falling into poverty.

Good practice

Citizens' consultation on pension reform

In 2018, in preparation of the planned pension reforms, the French government launched a citizens' consultation platform, through which citizens could express their opinions and concerns regarding the proposed changes to the pension system. People were invited to answer eleven questions on an online platform, ranging from what rights should be granted to spouses in the event of a death, to how confidence in France's retirement system can be strengthened.²² Although the government promised to carefully consider the most frequently expressed concerns, several groups in society have been sceptical about the results of the citizens' consultation. Further consultations will be held at the end of 2019.

Civic space

For the past year, much of France's civic space has been occupied by the *Gilets Jaunes*, a grassroots movement that started protesting against a rise in fuel prices and high costs of living in October 2018. The protests, which regularly ended in riots and confrontations with the police, quickly spread all over France and also crossed the borders to other countries. In some instances, police reacted to the protests with excessive violence, harming the freedom of assembly.²³ In April 2019, the anti-riots act came into effect, which put significant restrictions on the freedom of assembly, among other things by making it a criminal offence for protestors to conceal their face at a demonstration. This is one of the reasons French civic space is currently classified as 'narrowed'.²⁴ Reporters without Borders warns that the protests have also led to a significant limitation of the freedom of the press. During the

peak of the Yellow Vests protests, journalists were prevented from doing their work and attacked by both the police and protesters. Dissatisfied with how they were being portrayed in the media, some protesters blocked printing presses in order to prevent the distribution of newspapers.²⁵

SOLIDAR's National Strategy Group furthermore reports that civil society organisations in France are facing difficulties because they increasingly receive financing on a project basis, which does not cover their operating costs. This is an obstacle to their meaningful and continuous engagement in policy making and advocacy work.

Comparison to Country Specific Recommendations

The country specific recommendations for France have a heavy focus on promoting innovation and simplifying the tax system. However, they do also address the issues concerning equal opportunities and the challenges especially migrants face in the labour market. They furthermore mention some of the issues that are plaguing the labour market in general, such as skills mismatches and difficult access for young people. Nevertheless, there is little attention on the regional disparities that underlie these challenges in the labour market, including limited access to social services and quality education in some regions and neighbourhoods, but also discrimination.



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SOLIDAR is a European Network of membership based Civil Society organisations who gather several millions of citizens throughout Europe and worldwide. SOLIDAR voices the values of its member organisations to the EU and international institutions across the three main policy sectors: social affairs, lifelong learning and international cooperation.



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