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#### About this publication

The »gilets jaunes« (yellow or »hi viz« vests) protests in France have brought to light far-reaching regional grievances and socioeconomic disparities that run counter to the aspiration to equal living conditions for all. A closer look at these regional disparities shows a »fragmented« country, riven at all administrative levels by numerous faultlines. Despite – or perhaps even because – of the centralised redistribution policy an active state is no longer discernible for many people living in the regions. Rather they have increasingly been getting the impression that the public authorities pay little attention to their affairs; that they and their regions have been left behind. This has cultivated a fertile breeding ground for populism. The present study provides an x-ray of this »fragmented« France, riven by multiple lines of inequality. It also lays bare the limits of France's centralised policymaking and makes clear that this is no longer an effective tool for tackling inequality. Instead, the experts recommend that regional authorities be provided with more competences and resources and that new forms of solidarity should be promoted within the framework of regional cooperation. Such a policy switch appears to have proved successful in combatting the health care, economic and social crises unleashed by the Covid-19 pandemic in recent times.

This publication is based on the study »Les inégalités socio-spatiales en France et en Allemagne« published in French in February 2020 by the Jean-Jaurès-Stiftung and the Friedrich-Ebert-Stiftung.

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# An inegalitarian France

Regional socio-economic disparities in France

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### INTRODUCTION

The »yellow vest« crisis took the French government and public opinion by surprise by being singularly long-lasting. For a whole year, demonstrators marched in the streets every Saturday and committed acts of violence. What began as a reaction to the introduction of an additional fuel tax revealed a much deeper, locally-rooted unrest. Residents expressed a feeling of exclusion, intensified by their distance from public and private services, and the lack of consideration shown by those in power. In one of the most centralised countries in the world, with a strong and long-standing Jacobin, even monarchical tradition, which carries out the most substantial redistribution of any of the 27 countries of the European Union and which should therefore be the one that holds away most effectively over its territory, spatial inequalities have become flagrant. Two sets of facts appear worrying. First, the complexity of the social and economic differences among the territories at different scales, which will be the focus of the first part of this report; next, the relative territorial weakness of public action, which will be examined in the second part.

Unlike Germany, where the main difference is between the East and the West, and unlike Italy, Spain and Portugal, where the main contrast is between North and South, we will see in the first part of this report that France is criss-crossed by multiple fracture lines at every scale; that it is fragmented or, to borrow the term used in Jérôme Fourquet's work, it is an »archipelago« (Fourquet 2019). As we will see, this makes it more complicated to analyse the political consequences of a situation such as this, and notably the rise of populism.

Meagre local budgets, as we will see in the second part, make it impossible to combat spatial inequalities effectively. The distribution of regional authorities' investments or amenities has nothing to do with the distribution of skills in the population or the distribution of social hardships. At most, we might note the financial virtue of municipalities that remain relatively free of debt.

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## SOCIO-ECONOMIC INEQUALITIES IN FRANCE

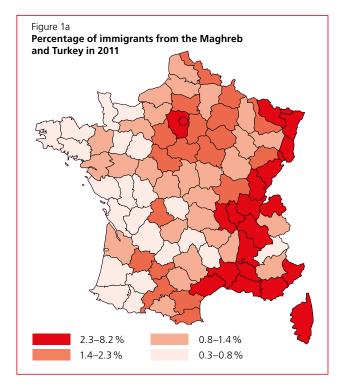
Spatial inequalities in France vary greatly, in accordance with the scale selected. On a regional scale, broad areas with multiple problems are juxtaposed with other broad areas that are more egalitarian. On a medium scale – that of the towns and rural municipalities in the departments – other differences become apparent. There are two varieties: large conurbations in contrast to »non-polarised« rural areas, on one hand, and dense rural areas in contrast to rural areas with dwindling populations, on the other. Lastly, at a more finely-grained level of municipalities or their subsections, there are still major differences within the large conurbations.

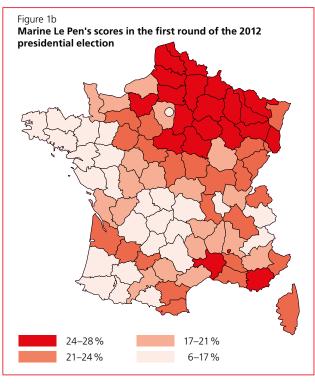
## 1.1 THE INFLUENCE OF SCALE: THE RASSEMBLEMENT NATIONAL VOTE AND THE NUMBER OF IMMIGRANTS

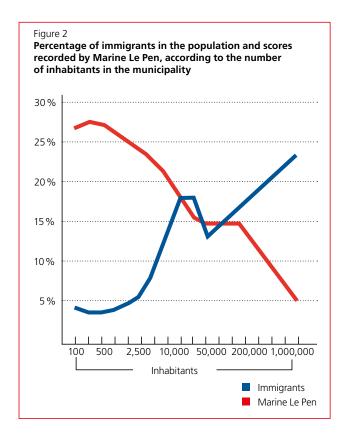
For a clearer picture of just how effectively a change of scale changes the distribution of inequalities, we will take the example of the relationship between the presence of immigrants and the extreme-right vote. Whereas in Germany, the populist right-wing parties (AfD) and left-wing parties (Die Linke) clearly obtain their best scores in the former German Democratic Republic, where there are fewer immigrants and wages are the lowest, the French configuration is more complicated.

On a regional scale, votes for the Rassemblement National (RN) party (until 2018 the Front National or FN) overlap relatively closely with the regions in which immigrants make up a larger proportion of the population (the correlation is in fact slightly positive, with r=0.114).

The number of immigrants living in the east of France and on the Mediterranean rim – two RN strongholds – is high, while in the broad west and south-west of the country, by contrast, the party records its lowest scores. When we move to the more fine-grained departmental scale, the correlation disappears (r = 0.027). If we compare their distribution in France (Figure 1a and 1b), there does not appear to be any relationship between the two phenomena. For example, there are very few immigrants in the Pas-de-Calais or in the Haute-Marne, two departments in the north east of France in which the RN does best. Conversely, some of the party's lowest votes are recorded in a number of departments close to Paris, where immigrants make up a large portion of the population.



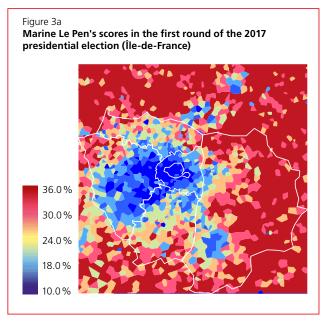


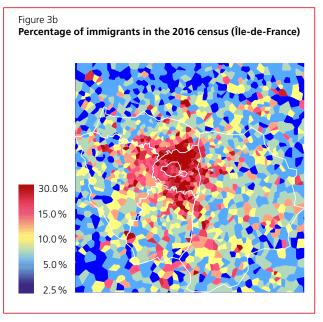


Finally, shifting our attention to the municipal level, where there are the fewest immigrants, the proportions of far-right votes are highest. There are two ways to check this: first, by comparing the intensity of the far-right vote to the proportion of immigrants, in accordance with the size of the municipality. We can see in Figure 2 that the proportion of farright votes rises as the size of the municipality becomes smaller. Conversely, the proportion of immigrants falls off steeply with the size of the municipality increases. The correlation between the two curves is, in this case, very negative (r = 0.950). Such a marked difference between the correlations on different scales is a good example of what W.S. Robinson calls the »ecological fallacy«. Another small-scale factor becomes apparent with distance from the centre of a large conurbation, as shown by juxtaposing the map of the proportion of immigrants and the map of the frequency of the RN vote in the Paris region (Figure 3).

The two maps are the inverse of one another other. In the centre of conurbations, the RN vote is very low (5 per cent of the votes cast in the first round of the 2017 presidential election, in Paris) and the proportion of immigrants in the population one of the highest (23 per cent of the population). The further away one gets from the capital, the more the RN vote rises and the percentage of immigrants decreases.

Based on this little experiment, we can see that the relationship between the two phenomena varies radically with the scale chosen, which means that a number of factors are involved or acting in conjunction. The regional differences, which we will see further on are of a social nature, vary with distance from the town centres and size of municipality, as well as by the existence of sparsely-populated areas, hence local factors. Depending on the type of inequality examined, one or other of these levels will be more appropriate.

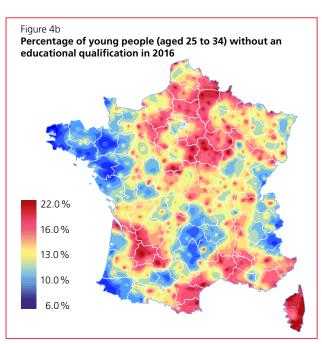


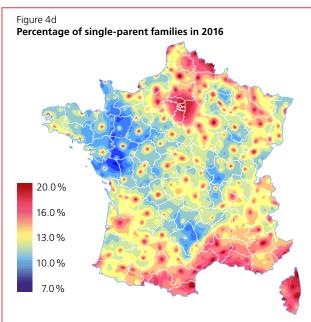


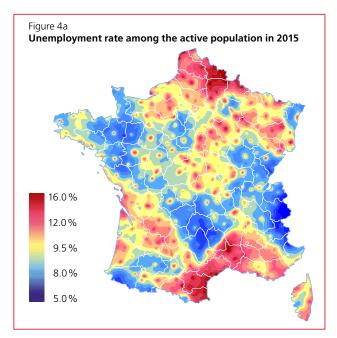
#### 1.2 REGIONAL DISPARITIES

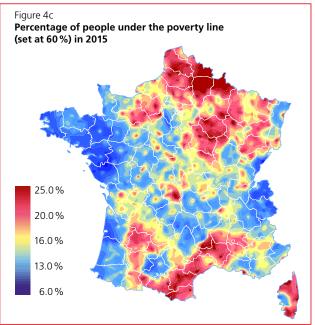
Inequalities can be considered at both ends of the social ladder. Often, it is not a zero-sum configuration: the spatial distribution of the problems encountered at the bottom of the social ladder is not the inverse of that of the favourable conditions at the top. Each of the two obeys a particular logic that is expressed at a different level. At the bottom of the social ladder, some regions accumulate all of the problems, while others dodge almost all of them. Few regions lie in the middle ground. For the top of the social ladder, we need to go down to the level of the conurbations and rural areas, as we will see later.

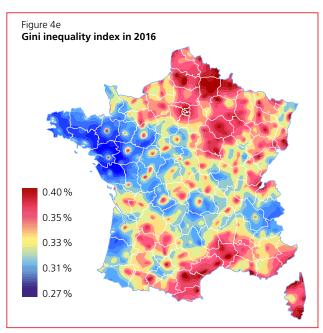
Figure 4 shows the distributions of five problems encountered at municipal level: unemployment, poor qualifications among young people, level of poverty, proportion of single-parent families and the Gini coefficient on disposable income (indicating the degree of inequality).











The five maps bear a remarkable similarity. Social problems are concentrated in the north-east above a line between Caen and Belfort, in a 100 km belt along the Mediterranean shore, with a peak in the western part (the Languedoc region) and in the Garonne valley, from Toulouse to the ocean. Few areas situated in these zones are free of difficulties: the champagne-producing area, the area south of Reims and the northern part of Alsace. Conversely, in a broad swathe of the west, in the Massif central, to the south of the Garonne river and in the large Lyon region, there are distinctly fewer difficulties, with few differences from one map to another.

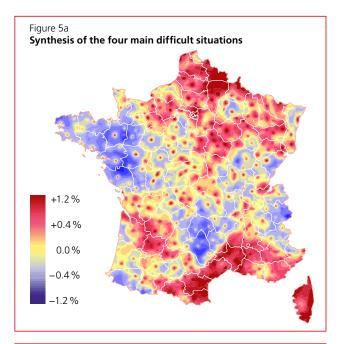
It is fairly normal for the distributions of the five indicators to resemble each other because the factors are not unrelated. They form a system: the lack of qualifications often leads to unemployment, which tends to put a strain on couples, resulting in divorce and hence the frequency of single-parent families.

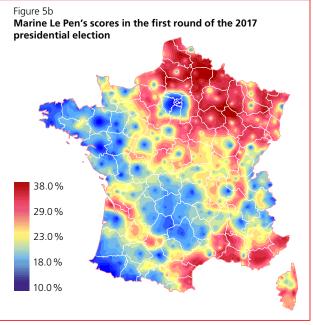
These three factors are, in turn, among the main causes of poverty, particularly for single-parent families. The presence of a high proportion of people in poverty increases inequality, hence the Gini index.

Because the five maps are very similar, we can generate a synthesis quite simply by bringing each of the indicators to the same dispersion rate and a zero mean (normalisation), and taking the sum of the five normalised indicators in each municipality. The result of the operation is shown in Figure 5. The similarity between the map of social problems and the map of votes for the Front National (FN, which became the RN in 2018) is striking, as we can see in the same figure. In both cases, exactly the same regions are concerned: northeast France, the Mediterranean rim and the Garonne valley. The differences are minimal and local. At most, we may note that the exceptions - the champagne-growing region and Alsace – are not shown on the map of the RN vote, as if, by contagion, they had come to resemble their neighbouring areas. The RN vote is also slightly more limited in the Garonne valley, for the same reason, namely contagion by an environment that is less favourable to that party.

There is, however, a major difference between the two maps. This concerns towns and, more specifically, larger towns, which react in the opposite way to the rural zones: the problems there are more serious than in the rest of the territory and the RN vote is much smaller. Inequalities and poverty, along with unemployment and single-parent families, are far more prevalent in towns. This coincides with the observation made at the beginning of this report on the relationship between immigration and the RN vote.

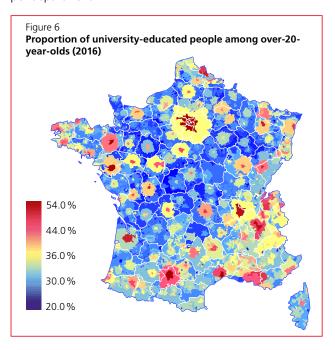
If inequalities are more pronounced in towns, it is because the upper classes are better represented there. There are also a great many poor people, so, inevitably, inequality as measured by the Gini index – the ratio of the top quintile to the bottom quintile – is higher. This leads us to examine the second major regional divide, between large conurbations and the rural community.





### 1.3 THE DOMINATION OF LARGE TOWNS

We prefer to use the term "town" rather than "conurbation" because the distinguishing feature of the differences we are now going to observe concerns the core of conurbations, the town centre. The first map shows the extent to which skills are concentrated in the large towns (Figure 6). It distinguishes between the urban clusters, their urban rims and the rest of the space in each department, made up of the municipalities outside clusters, or multicentric municipalities. Bear in mind that this segmentation is based on the number of workers in the municipalities and their adjoining areas, including the centres. For the clusters and the urban rims, we used the percentage of people with a university education. For the other, essentially rural municipalities, we used the average per department.



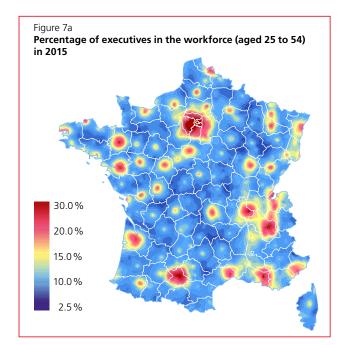
There are sizeable gaps between the rural areas, where less than 20% of the population undertook post-secondary studies, and the large centres, where the proportion is over 50%. There is a clear ranking of the clusters according to level of education, with Paris topping the list, followed by Lyon, Grenoble, Montpellier and Toulouse, Bordeaux, Nantes, Rennes, Strasbourg and Lille, followed closely by the university towns of Poitiers, Orléans, Rouen, Aix, Dijon, Nancy, Besançon and Clermont-Ferrand. This situation owes more to the importance of the long-established universities and the existence of research centres and senior administrative functions than to the volume of the population. For example, towns with fewer of these facilities have a lower proportion of graduates in their population, as can be seen by comparing Nîmes to Montpellier, Mulhouse to Strasbourg or Le Havre to Rouen. We can also see that urban rims have a smaller proportion of university graduates than the centres often 15–20 per cent fewer – although distinctly larger than »non-cluster« municipalities. Even so, medium-sized towns (those that Insee calls secondary clusters) still have a slighter higher proportion of graduates than nearby rural areas. Only the small clusters, that is, small towns, are at a disadvantage,

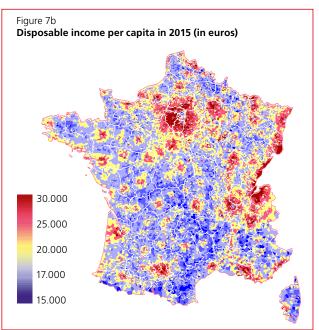
even by comparison with their close surroundings. They are shown as dark blue dots on the map.

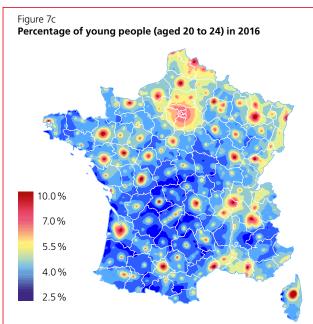
The difference in educational levels between the large centres and their rural surroundings can also be observed in relation to other features linked to the presence, or not, of upper classes. In Figure 7, we present the proportion of executives and professionals in the active population, the median income in the municipalities and the proportion of young people between the ages of 20 and 24 in the population. These three distributions reflect a geographical pattern that is almost identical to that of graduates, which is logical, because executives have an above-average level of education and income. The concentration of young people in the centre of large conurbations is also linked to these factors, but extends beyond the student population. It has become standard for young people to spend a few years in the town centre, especially as the age at which they secure a stable job and start a family has been pushed back considerably and now stands at around 30, compared with around 25 in the 1970s. A fourth map shows the proportion of workers, which is the exact opposite of that for executives. The greater the distance from the big centres, the greater the percentage of workers in the population at large. This is even more striking if we consider only workers in the building trade and industry, who represent 40 per cent of all workers and are the closest match to the traditional labourer's conditions.

The business weekly *Challenges* (14 November 2019 issue) published a »megacity ranking« that confirms the pre-eminence of big cities and their conurbations. As we can see in Table 1, which shows the ranking, nine of the top ten megacities are those (named above) with the highest percentage of university graduates. The next four were included in the list of second-tier cities. The only discrepancy concerns Nice and Aix-Marseille, which are not as highly ranked when it comes to the percentage of graduates living there.

One might think that regional diversity and inequality in France could be summed up in these two major axes: the difference between the regions, examined in the first paragraph, and the difference between the conurbations and rural areas, which has just been analysed. However, a third type of difference emerges when we examine other features. It stems mainly from low density and its historical consequences.







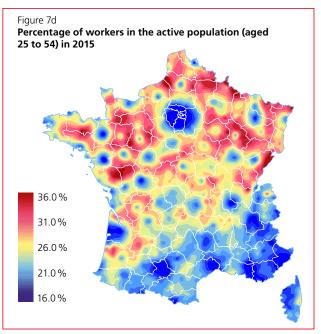
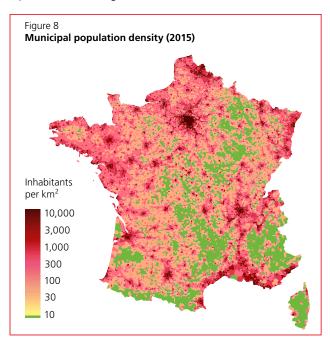


Table 1 Ranking of major cities

Urban area	<b>Demography</b> growth between 2011 and 2016	Students percentage of the population in 2016	<b>Graduates</b> percentage with 2-yr post-2ndary degree in the active population in 2016	Research percentage of regional GDP spent on R&D in 2016	Research number of public patents by inventor's place of residence in 2017	Research number of executives in the design and research function in 2016	<b>Training</b> number of universities in 2018	<b>Training</b> number of engineering schools and business schools in 2018	<b>Export</b> amounts exported from the department in millions of euros in 2018	Superfast broadband percentage of rentals to eligible city-centre premises in 2017
Toulouse	1.5 %	134 %	72 %	18 %	588	42,672	66	25	39,432	50.5 %
	(3)	(7)	(1)	(10)	(3)	(2)	(1)	(4)	(1)	(6)
Lyon	1.1 %	124 %	56 %	22 %	593	43,662	49	39	15,106	77.3 %
	(6)	(11)	(6)	(5)	(2)	(1)	(4)	(1)	(6)	(1)
Bordeaux	1.6 %	13.1 %	55 %	19 %	260	17,503	49	27	7,060	61.2 %
	(1)	(8)	(7)	(8)	(6)	(5)	(4)	(3)	(9)	(3)
Lille	0.5 %	15 %	54 %	28 %	215	16,722	60	33	24,133	23.3 %
	(9)	(3)	(8)	(2)	(7)	(7)	(2)	(9)	(2)	(1)
Grenoble	0.4 %	13.7 %	64 %	22 %	954	22,835	30	12	11,433	55 %
	(11)	(6)	(3)	(5)	(1)	(3)	(9)	(8)	(7)	(15)
Rennes	1.4 %	14.8 %	59 %	19 %	209	11,847	33	20	4,911	39.3 %
	(3)	(4)	(5)	(8)	(8)	(9)	(8)	(13)	(10)	(9)
Montpellier	1.6 %	16 %	70 %	18 %	160	11,725	24	20	1,893	65.5 %
	(2)	(2)	(6)	(10)	(11)	(10)	(13)	(3)	(15)	(2)
Aix-	0.4 %	11.9 %	48 %	28 %	338	21,772	54	21	15,838	31.3 %
Marseille	(1)	(14)	(11)	(2)	(5)	(4)	(3)	(5)	(5)	(12)
Nantes	1.5 %	12.3 %	60 %	35 %	199	17,183	20	19	10,524	32.1 %
	(11)	(12)	(4)	(1)	(9)	(6)	(15)	(8)	(8)	(11)
Strasbourg	0.6 %	12.5 %	50 %	11 %	145	11,464	42	14	20,639	41.2 %
	(3)	(10)	(9)	(13)	(12)	(11)	(6)	(9)	(4)	(8)
Nice	0 %	10.2 %	46 %	28 %	167	14,167	38	12	3,415	58 %
	(7)	(15)	(14)	(2)	(10)	(8)	(7)	(11)	(12)	(4)
Clermont-	0.6 %	12.9 %	48 %	22 %	398	7,820	26	6	3,543	19.5 %
Ferrand	(14)	(9)	(12)	(5)	(4)	(12)	(12)	(14)	(7)	(15)
Nancy	0.5 %	16.1 %	48 %	11 %	55	4,800	27	13	2,517	37.6 %
	(9)	(1)	(10)	(13)	(15)	(13)	(11)	(10)	(11)	(10)
Dijon	0.3 %	13.9 % (5)	47 % (13)	2 % (15)	109 (14)	4,282 (15)	28 (10)	5 (15)	3,270 (13)	47.6 % (7)
Rouen	0.3 %	12.1 %	38 %	18 %	131	4,382	22	9	21,585	24.7 %
	(13)	(13)	(15)	(10)	(13)	(14)	(14)	(13)	(13)	(13)
Paris	0.4%	11.5 %	69 %	17 %	825	278,959	_	_	_	77.9%

#### 1.4 THE EMPTY AREAS OF FRANCE

On a smaller scale, spatial occupation creates a third type of opposition between the sparsely-populated and densely-populated areas of France. In 1947 Jean-François Gravier used the term »desert« with some success to stigmatise the dominance of Paris over the rest of France. Then, in the 1980s, geographers and in particular Roger Brunet spread the notion of a »diagonal of emptiness« to describe that part of France that was not only very sparsely populated but also losing the few inhabitants who remained. On the density map, the empty diagonal stretching across France is quite apparent. We have coloured in green the areas in which the municipal population density was less than 10 inhabitants per square kilometre (Figure 8).

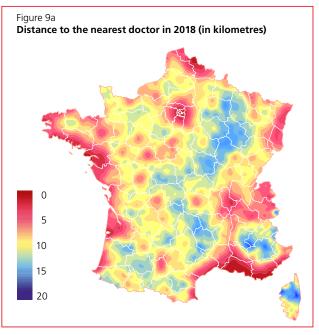


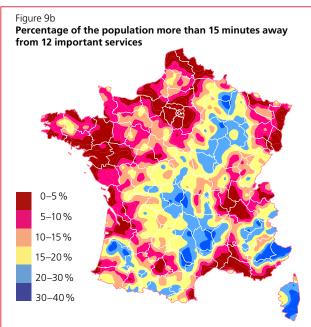
We can see that these densities effectively trace a slightly zigzaggy diagonal from the Ardennes down to the south of the Aveyron. They also include the mountainous areas of the Alps, the Pyrenees and the plantations in the Landes. But what makes the diagonal of emptiness the most extensive and the most important of all is that it doesn't skirt around the edges: as it crosses France, it separates two population masses, one in the west and the other in the east. The diagonal of emptiness hesitates between two major architectures or two major urban systems, as we can see in the figure: the one that includes the north, Paris, the west and the southwest, and the one that runs along the eastern border and spreads out along the Mediterranean.

A number of indicators reveal the importance of this sort of no man's land. Rather logically, in these low-density sectors, the distance from the nearest doctor and, more generally, the distance from a set of services is important, as shown by the top two Figure 9 maps. As a result, and given the sparseness of the population, this latter factor continues to wane, as shown by the third map. For less obvious reasons, the mortality rate is also higher along the diagonal. The fourth map shows that, in addition to the regions in which the death rate is higher, for clearly identified reasons, there is also

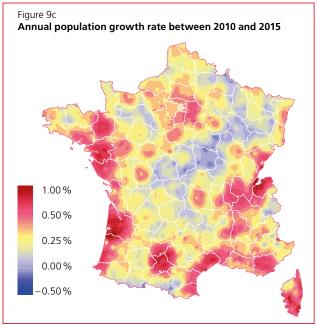
the north, due to the lingering effects of industry, and the western seafront, due to alcoholism.

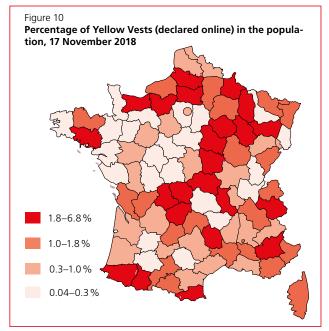
The population living along the diagonal of emptiness is not indifferent to the difficulties caused by the low density. During the »Yellow Vests« crisis, it protested more than the rest of France, as we can see from Figure 10, in which we have shown the proportion of the population that, the day before, had announced their intention to take part in the first major protest – the one with the highest turnout – on 17 November 2018.

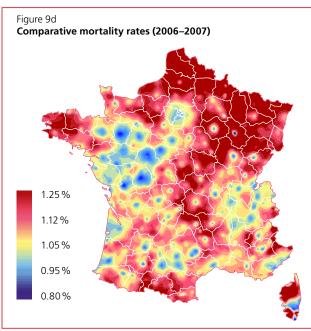


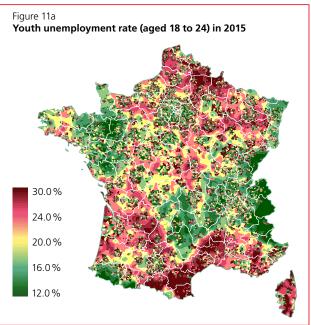


If we combine or overlay maps of the problem-stricken regions identified in the first paragraph and those lying along the diagonal of emptiness, it accounts for other indicators, too: more specifically, the low employment rate for women and the high youth unemployment rate (Figure 11). In both cases, remoteness and the difficulties of travel make it more difficult to look for and keep a job. This difficulty compounds

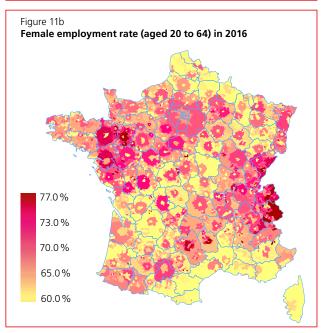






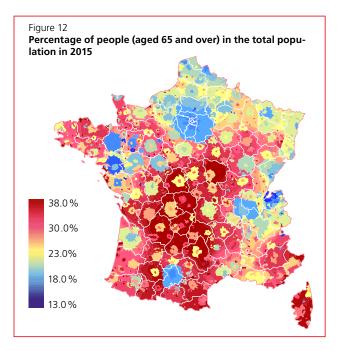


the social problems discussed in the first paragraph. The map of youth unemployment effectively combines a number of features: behaviour in municipalities outside a cluster or with multiple clusters has been smoothed out to avoid chance fluctuations. On the other hand, municipalities in a cluster or in urban rims have been individualised to provide an indication of the heterogeneity of these concentrations. For the employment rate of women, on the contrary, the indicator's average value was assigned to all of the municipalities in the cluster or its rim. This makes it possible to observe a contrast between the clusters and their rims, where the employment rate is always higher because of the demographic structure: dual-income households tend to prefer living in the urban rims where they can have a larger family home.



#### 1.5 OTHER GEOGRAPHIES

Many important characteristics do not fit into the three normal distributions viewed so far. The distribution of elderly people is a good example. In Figure 12, we can see that the regions with the highest percentage of elderly inhabitants are the South-West, Brittany, Basse-Normandie, Bourgogne and the Alps. The representation adopted here treats the clusters and urban rims separately. The major clusters stand out distinctly with the lowest percentage of elderly inhabitants, followed by their rims (Bordeaux, Nantes, Rennes, Paris, Toulouse, Montpellier, Lille and Strasbourg, in particular). On the other hand, the small clusters often house a higher proportion of elderly inhabitants than their surroundings (these are shown as small brown spots on the maps).

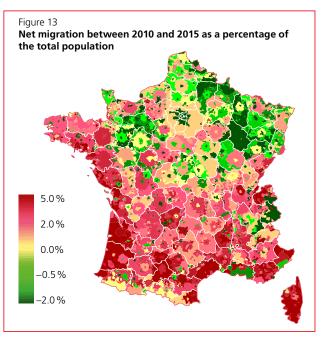


The ageing of the local population depends on three long-term factors: the fertility rate, the mortality rate and net migration. Fertility is historically low in the South-West, as is mortality, two causes that are contributing to population ageing. For Brittany and Normandy, by contrast, ageing is the result of young people's emigration in the past. In the North-East, high fertility and mortality rates are together curbing population ageing. Of the three spatial differentiation factors discussed above, only the opposition between the clusters and rural space plays a role here. Even then, they need to be qualified with the different behaviour of the major clusters, their rims and the small clusters.

Two other important examples do not correspond to what went before either, even though their geographical distribution is structured. The first shows the distribution of net migrations between 2010 and 2015 (Figure 13).

One might think that the situation of the local economy, and more specifically the job market, guides transfers and especially the final balance. But that is not so at all. The balances are mostly negative in a large northern sector marked out by a line between Saint Malo, Saumur and Belfort, with the exception of the departments bordering Île-de-France and the

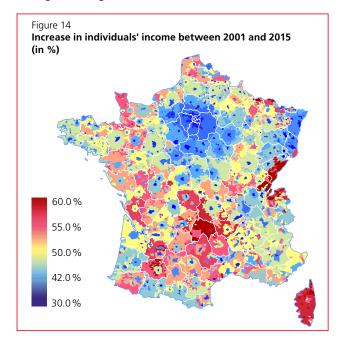
Loire valley. The rural areas are recording net losses of inhabitants, just like the majority of urban clusters, including the cluster containing Paris. By contrast, the regions to the south and to the west of the net-loss sector are recording positive migration balances. The rather rare exceptions concern medium-sized or small towns, along with Aix-Marseille and Grenoble. Languedoc is the most paradoxical case: while the region has the most serious social problems in France – in particular, unemployment, insufficient education and inequalities – the migratory balance there is the highest of any region. Part of net migration can be explained by migrations on retirement, in particular on the Atlantic seaboard, but the bulk of it cannot be explained by the indicators used up until now. To understand the paradox, we often talk about the climate, referring to a phenomenon somewhat pompously called »heliotropism«. But it is more a word than a serious explanation.



One last map may seem even more puzzling. It charts the growth in reported income between 2001 and 2015, so over a sufficiently long period to ensure that fleeting fluctuations have little influence on the result (Figure 14). As it happens, the steepest increases occurred in rural areas a great distance away from the capital or the largest cities, such as in the Cantal, the Aveyron, the Gers, the Manche or the Mayenne. The smallest increases, on the contrary, are situated in a vast Parisian region, in the Lyon region, in Alsace, all of the most economically dynamic regions.

There are sizeable differences. The median income in Paris, for example, went from 20,150 euros to 22,390 euros over this 14-year period. At the same time, the median income in the Cantal jumped from 12,280 euros to 19,240 euros. On the whole, the urban clusters progressed less than their urban rims, and both less than the national average. Some local cases, such as the east of the Doubs and Ain departments and the north of the Meurthe-et-Moselle, can be explained by the presence of large numbers of cross-border workers, because incomes in Switzerland and Luxembourg rose faster than French incomes. For the rest of the country, though, we

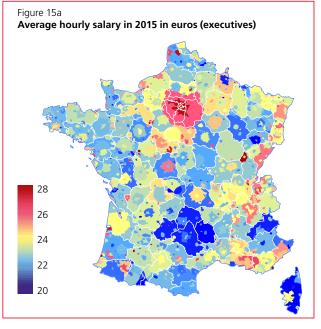
can talk about income convergence. Income disparities have levelled off. This seems hard to believe when the »Yellow Vests« crisis insisted, on the contrary, on the loss of purchasing power in regions situated at a distance from the large conurbations. If that explanation were true, the inhabitants of the major cities and their outskirts should have been protesting instead, given their smaller income increases.

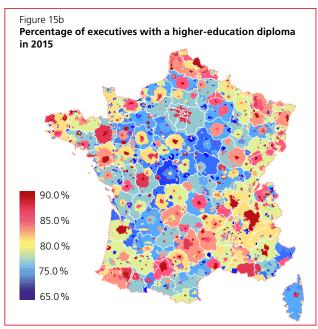


One last example, wages, shows just how complex regional differences can be. Because the average wage in a given place depends on the social make-up, we took that of a particular social category – executives and self-employed professionals – to reduce the bias. Figure 15a shows the hourly salary in 2015 on the scale of urban clusters, their urban rims and the remainder of the area. The map is horribly complicated. Admittedly, wages are markedly higher in the Paris cluster and slightly higher in metropolitan areas (Bordeaux, Toulouse, Montpellier, Aix-Marseille, Lyon, Strasbourg, Clermont), but only minimally for Rennes, Dijon or Lille. If we really want to detect patterns, we can observe that the wage is higher in the areas with the healthiest economic results: the Paris region, the eastern border from Moselle to Savoie, the Rhône-Alpes region and the south of Provence. Conversely, wages are lowest in the broad south-west region, particularly in small and medium-sized towns such as Auch, Agen, Brive, Bergerac and Rochefort. Further north, wages remain low outside the urban clusters, but are higher in the majority of towns such as Laval, Chartres, Amiens and so on. The difference between the clusters and their urban rims is very variable. Paris tops its rim, but that is also true for Grenoble, Marseille, Clermont, Troyes and Quimper.

One might think that the differences stem from the heterogeneous nature of the Insee category »executives and self-employed professionals«. One way of checking this is to map the level of executives' educational qualifications. In Figure 15b, we show the proportion of executives who obtained higher education qualifications. The percentage varies from 65 to 90 per cent. The geographical pattern that appears, contrary to our expectations, bears little resemblance

to the previous one. The result is more even and matches the urban hierarchy quite closely. The level of diploma is higher in the clusters than in their rims, and higher in the rims than in the municipalities outside the clusters. There are also more marked regional differences than on the previous map. The executives' levels of university studies are lower in a very broad Paris basin, extending towards the Poitou and the Charentes on one side and towards Bourgogne on the other, as if Paris had drawn all of the human resources to itself. Further afield, the level rises, especially in the urban rims and rural areas, in the north, in Brittany and Basse-Normandie, to the south of the Garonne and the Massif Central, and especially in the whole of the south-east and a broad strip of the eastern border. The economic argument that there is a relationship between level of education, productivity and salary does not stand up to the evidence in France, just as we saw earlier for the influence of unemployment on net migration.



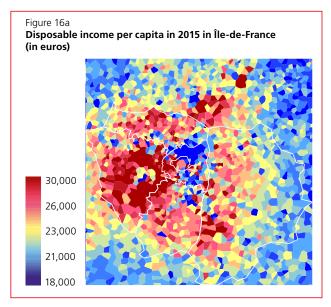


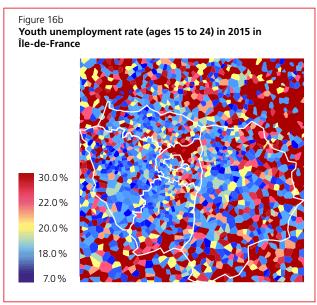
### 1.6 THE FOURTH SCALE: WITHIN CONURBATIONS

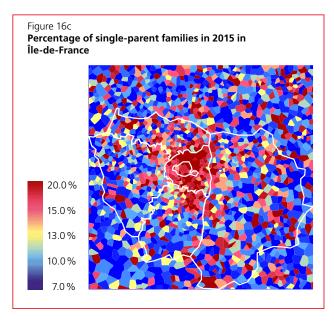
The previous maps, which were produced by smoothing or combining all of the municipalities belonging to the same urban cluster with those belonging to its rim, erase local differences and give the impression of uniformity. This is false, of course. If we map three of the indicators of social problems examined in the first paragraph, one municipality at a time, in Île-de-France, where the urban cluster and its rim occupy almost the entire area, stark differences appear.

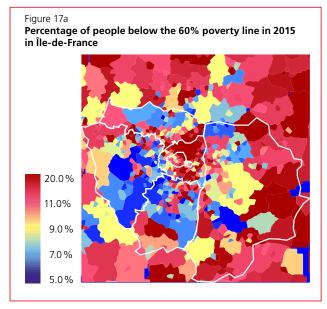
The map of youth unemployment levels, the map of the prevalence of single-parent households and the map of poverty in the municipalities of Île-de-France are shown in Figure 16. They show wide differences. We comment on them successively, starting with the map of poverty. The level of poverty is high to the east of Paris and its rim, low around Paris, then climbs steeply when we reach the region's borders and even in the eastern half of Seine-et-Marne. The distribution of the youth unemployment rate retains the same structure, but with changes in the extent of the zones: high unemployment in a smaller zone to the east of Paris, low unemployment in a broader area up to the edges of the region, then high unemployment beyond that. The proportion of singleparent families is consistently high in the centre of Île-de-France, in Paris and its inner rim, then it rapidly drops off, including on the other side of the borders of Île-de-France borders, where it remains low.

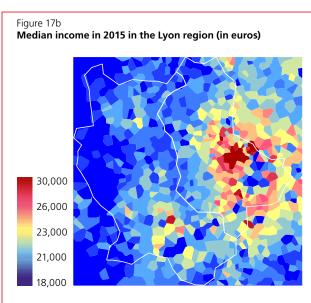
The case of Île-de-France is not unusual. The same structures can be seen around all of the major urban clusters. This becomes apparent when we compare the median incomes in Île-de-France and in the Lyon region (which includes the two departments of the Rhône and the Loire). On the two maps in Figure 17, which have the same scale, the first thing we notice is the disproportionate distribution of wealth between the largest and the second-largest conurbation in France. We also observe that the structures are fairly similar: high incomes to the west of the city centre, lower in the city centre, then decreasing in concentric circles down to the lowest values. The slight increase in incomes to the south-west of Lyon corresponds to the town of Saint-Etienne. If we compare incomes in Île-de-France with the three previous maps showing the problems in that region, we can see that there is no direct contrast between incomes and problems. The map of incomes is not the reverse of the map of social problems, which is what we had already observed for France as a whole.











#### 1.6 CONCLUSION

Inequalities are worsening on several scales. We could descend to a lower scale than the municipality and study blocks or even buildings. In a book on segregation, Norbert Elias showed that two parallel working-class streets in a small English town with the same terraced housing corresponded to two very different social universes. To borrow an image from mathematics, inequalities are fractal. The differences that disappeared with averaging at a given scale reappear at the next scale. This poses a daunting problem for inequality reduction policies, because social measures are always based on the average, that is, on a certain administrative scale: the state, the region, the department, the municipality. From the many earlier maps, we can deduce that a radical or »Jacobin« policy cannot eliminate inequalities. It seems necessary to give greater power to the intermediate levels, such as the regulatory authority. This is especially true because, although state action markedly reduces social inequalities, as we will see again in the second part, that does not necessarily mean there will be a reduction in regional inequalities. The question is all the more crucial as, on the whole, there is no connection between political currents and regional inequalities. This holds even though certain inequalities correspond to political divisions, as we saw in relation to the RN and as, symmetrically, we would show for La République en marche.

### 2

## THE EFFECTS OF WEALTH REDISTRIBUTION IN FRANCE

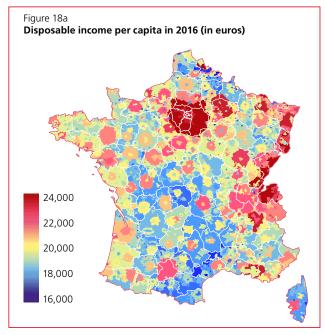
After two decades of falling inequalities in the 1970s and 1980s, differences in standards of living have been widening since the 1990s. The ratio between the average incomes of the wealthiest and those of the poorest went from 6 (a difference of 38,000 euros) to 7.5 (a difference of 53,000 euros) between 1998 and 2012. Over an equivalent period, while the property and financial asset base doubled, on average, for the French population as a whole, that of the poorest 20 per cent of the population diminished. The wealthiest 10 per cent of households each held nearly 600,000 euros in assets, as against less than 4,500 euros in assets for the poorest 10 per cent of households.

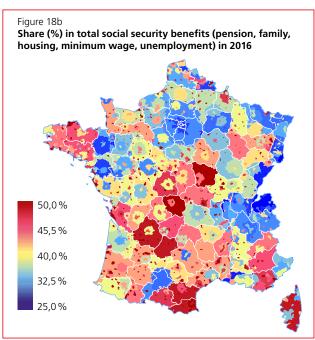
### 2.1 A HIGHLY REDISTRIBUTIVE SYSTEM ...

This statement of the evidence should not mask the fact that. in France, there are powerful safety valves. The French social security model, derived from the work of the National Council of the Resistance (CNR), operates on the dual principle of insurance and welfare. This means that individuals are protected against the risks (or exigencies) they may incur in their lifetime (old age, sickness, unemployment, accidents at work). The system is financed, on one hand, by the payment of contributions that entitle them to benefits and, on the other hand, by tax-funded welfare systems, designed to guarantee a minimum level of resources for everyone. Accordingly, every year, in France, 1,000 billion euros in taxes, duties and social security contributions are deducted and then redistributed by government departments. This represents 46 per cent of GDP (450 billion euros in taxes, 365 billion euros in social security contributions and so on). France does much more than its European neighbours in redistributing wealth (+4.5 points).

During a recession, this social security system is a powerful »shield« against poverty and inequalities, and has a marked impact throughout the country. In France, the high-density regions redistribute extremely high amounts to the low-density regions. Similarly, the »wealthiest« regions redistribute resources to those in the greatest hardship (Figure 18).

The economist Laurent Davezies estimated that, in 2012, the Île-de-France region redistributed 5 per cent of its budget – around 25 billion euros – to provincial regions (Davezies





2012). He believes the figure is even higher if we add social security spending ("" this simple mechanism, which transfers tens of billions of euros from the "rich" areas to the "poor" areas, makes it possible to guarantee a balanced regional development that is seldom mentioned in the literature".

This social and regional solidarity relies, first and foremost, on the state and the social security departments. France remains, as we know, a highly centralised country. Public expenditure represented nearly 1,260 billion euros in the national accounts in 2016 (including 31 billion euros in tax credits alone), or 56.4 per cent of GDP. The breakdown of government departments' spending was as follows (figures vary by year and calculation method):

- central government departments, which include the state and its local departments, along with the various central administration bodies (ODAC): 425 billion euros (33.5 per cent);
- social security departments (ASSP), which include hospitals and all of the social security systems, along with supplementary pensions and unemployment benefits: 590 billion euros (46.6 per cent);
- local government departments (APUL), consisting of all of the regional authorities (regions, departments, municipalities and groups of municipalities), along with various local departments: 230 billion euros (19.9 per cent).

Over the past ten years or so, however, at the prompting of the European institutions, these solidarity mechanisms have been challenged by policies aimed at reducing government spending and by the (relative) withdrawal of the state from regional affairs. This can be seen in the introduction of various programmes inspired by »new public management« principles, such as the general review of public policies (RGPP), government modernisation (»modernisation de l'action publique« - MAP) and the 2022 public action programme (AP22). The need to »adapt the presence of public services in the regions is not new, but the movement we have been observing over the past two decades is of unprecedented scope«. As pointed out by Thibault Courcelle, Ygal Figalkow and François Taulelle in a recent book (Courcelle, Figalkow, Taulelle 2017) on the subject, it has resulted in far-reaching changes to the maps of hospital, legal, school, postal, police, taxation and railway services, among other things.

All over France, "we are seeing closures, transfers, a reduced footprint, redeployments and groupings of services", even though this is a sensitive area "in which stakeholder perception can have devastating effects on the populations concerned" (Courcelle, Fijalkow, Taulelle 2017). Between 1980 and 2013, the downscaling concerned "primary and preschools in one out of every four municipalities (–24 per cent), post offices in municipalities (–36 per cent), tax offices (–31 per cent), gendarmeries (–13 per cent), railway stations (–28 per cent), maternity hospitals (–48 per cent) and hospitals (–4 per cent)". The downscaling has occurred most often in small rural municipalities, villages and small towns (Barczak, Hilal 2017). On one hand, "the modification of a public good and

of the system of ownership of public service providers gives the impression that the state is withdrawing or that a public good is being handed over to the advantage of private interests«. On the other hand, »the vertical and horizontal reorganisations of services, justified by the high costs of maintaining them and, at the same time, by the deterioration in the quality of service in areas where there is little use of them, is leading at best to staffing reductions and at worst to closures and hence the disappearance of services.« (Barczak, Hilal 2017). These mechanisms are very costly for public finances. Because of the structural slowdown in growth since the 1970s and even more so since 2008, the authorities are obliged to resort to borrowing and, at the same time, reduce their spending. »In light of the current situation, it seems warranted to set an objective of reducing public spending by 3 GDP points in five years, in a structural manner [...]. This objective makes it possible both to create room for manoeuvre in government revenue, by authorising its reduction [...], while at the same time ensuring the long-term sustainability of France's public debt by beginning a gradual reduction from nearly 100 GDP points today to between 70 and 75 GDP points by 2014«, explained a briefing note by France Stratégie on the reduction of public spending, published in 2019 (France Strategie 2019).

## 2.2 ... THAT IS STRUGGLING TO CONTAIN REGIONAL INEQUALITIES AND LACKS CLARITY

Over and above their costs, the solidarity mechanisms underpinning this »shield« have lost their clarity. »Over the past 30 years or so«, explains sociologist François Dubet, author of several books on the subject, »we have constructed social policies that are increasingly fragmented, increasingly singular and increasingly particular, and this change has completely shattered the sense of solidarity« (Dubet 2019). In other words, no one knows any longer exactly what they are contributing to, or why. Against this backdrop, people are increasingly fed up with paying taxes and their exasperation is gaining ground in public debate, as we saw with the »yellow vests« movement or the earlier »red woolly hats« movement in Brittany.

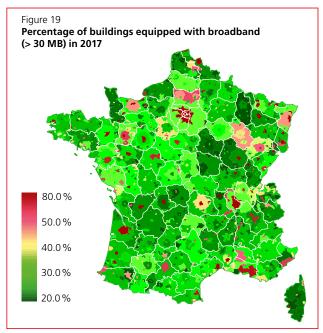
Admittedly, the rise of individualism is not recent. The process has been in progress since at least the 1970s, if not earlier. »To satisfy taxpayers who, in some municipalities, have reached the limit of the tolerable tax burden, and at the same time satisfy the local authorities, which bear a substantial burden in terms of facilities and are hoping for increased resources, is not an easy task«, commented Jacques Limouzy, MP for the Tarn, to national representatives back in 1967 (La Banque postale 2019). However, this increased focus on individualism, though less »flamboyant« and based on heightened competition between individuals, is an unprecedented challenge for France's social model and entails the invention of new forms of solidarity.

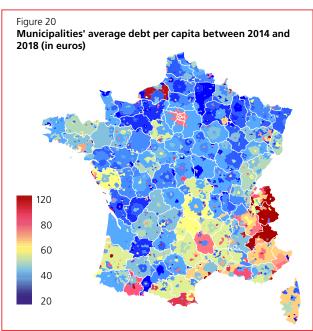
## 2.3 MAKING THE STATE SERVE THE REGIONS, FOR NEW FORMS OF SOLIDARITY

We can deduce from all of these analyses, as already mentioned, that a radical or »Jacobin« policy approach cannot eliminate inequalities. Because of the reorganisation of production processes and changes in lifestyles, the state can no longer shoulder this responsibility on its own. For this reason, it seems necessary to give greater power to the intermediate levels, such as regulatory authorities. This option, if adopted, should aim for an asymmetrical decentralisation and promote efforts to adapt the powers assigned to local authorities to the economic, social and geographic reality of each region or subregion. This would be a fresh step in decentralisation and in the distribution of powers in France.

This does not mean, however, that we should aim for a form of »Balkanisation«. Rather, we should aim to change the state's role from a social role to one of compensating or redistributing. The task of organising the fine details of combating inequality should be left to the lower levels. The state should strive to equalise the regions by reforming, if necessary, the criteria for assigning resources and by increasing, if necessary, the amounts allocated to these funds. It should also guarantee equal access for all to a high-performance internet, which is increasingly proving to be a decisive development driver for the regions. Access to high-quality internet services is essential for businesses (remote working, online sales and so on). It is also a decisive factor in the transformation of public services, especially in regions where public service are increasingly distant from users. The superfast broadband plan launched by the government in 2013 should cover the whole of France by 2022. However, as the map in Figure 19 shows, there is still a very strong digital divide between cities and country areas in France.

The regional and local authorities should accordingly be more closely involved in the state's efforts to combat inequalities and be shown more consideration by central government. Their human and financial resources are still limited by comparison with those of the state. Even so, they still account for 70 per cent of government spending, according to the Observatoire des finances et de la gestion publique locales (OFGL, 2019). They also run numerous public services throughout France and, on the whole, are in a sound financial position. Despite a steep drop in funding between 2014 and 2017, the gross savings of local authorities, at 39.4 billion euros, is up 8.5 per cent on 2018 and at a historically high level. Local authorities' income is expected to continue to increase (+3.1 per cent) as a result of a strong upward trend in succession and gift duties, businesses' value-added contribution and household tax bases, leading to an acceleration in the recovery of investment spending (+9.2 per cent to 58.2 billion euros). Also, local authorities' debt reduction capacity remains satisfactory, while local debt is stabilising in value terms (+0.5 per cent, 175.6 billion euros). For municipalities as a whole, it stands at 5.6 years; for departments, 4.2 years; and for regions, 4.9 years. These levels vary greatly, however, depending on area, as can be seen from Figures 20 and 21, in terms of both income (depending on the area's





attractiveness) and expenditure (depending on population trends, the extent of spending on social welfare or tourism, due to the additional charges generated by the seasonal influx).

Nevertheless, there are currently two problems.

1. To reduce inequalities, the state allocates part of its budget to local authorities in the form of funding (overall amounts), subsidies (specific amounts) and shared taxes. Lowering these financial transfers reduces the local authorities' capacity for action and heightens disparities (total operating allowance, which currently represents 30 billion euros out of the 110 billion euros paid by the state each year to the local authorities, was reduced by 11 billion euros between 2013 and 2017).

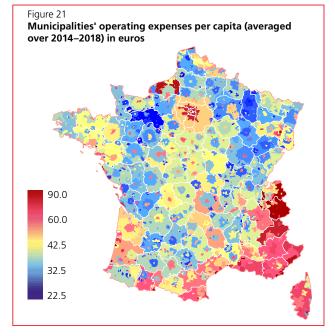
As pointed out by Claire Delpech and Françoise Navarre, both members of the local Finance Network, per capita funding varies widely from one local authority to another, depending on density and wealth criteria (between 40 euros and 1,300 euros in Île-de-France). Accordingly, a proportional decrease has a greater effect on poor urban local authorities: »The decrease in funding does not take local situations into account at all. It is applied in the same way to local authorities that rely heavily on state funding and to those that are less reliant on state funding because they have more substantial and more dynamic tax resources« (Delpech, Navarre 2018: 91-106). The Cour des comptes (Court of Auditors) adds that »in view of the marked differences among local situations, [the Court] considered, in its previous annual reports, that the arrangements for regulating local finances, based on the planned reduction in its financial support from the state, should factor in the level of resources and expenses of the local authorities, in order to individualise the management burden placed on local authorities« (Cour des comptes 2018).

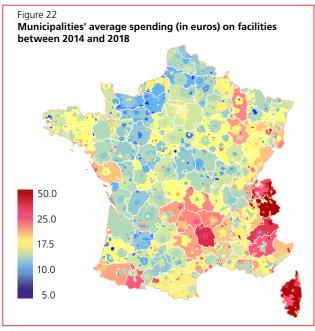
2. Next, local taxation remains limited by comparison with national taxation (5.8 per cent of GDP as against an average of 7.1 per cent for OECD countries, even before the abolition of the council tax, which begins a period of uncertainty for local authorities) and is deeply inegalitarian. It is socially unfair for households and often unjust for regions; local taxation seldom takes into account households' capacity to pay when the amount of tax payable is established. As the situation stands, there is a widening gap between the constantly mounting demand for collective facilities as new needs arise, the collective requirement for greater transparency and a mode of financing that is outdated and inefficient.

For these reasons, in an effort more effectively to combat inequalities and work for greater social justice, we believe the following steps are necessary:

- rethink the state's role in regional development: the state's withdrawal must no longer be at the expense of the more vulnerable areas; adjust the systems of financial and tax levelling more closely to the reality of the regions and their inhabitants;
- speed up the deployment of optical fibre connections and superfast broadband throughout the country: to ensure that everyone has equal access to high-perfor-

- mance internet services to support the development of businesses throughout France and improve access to government departments and services;
- give local authorities greater power and responsibility, so that they can combat any form of inequality as closely as possible to the ground and with adequate financial resources;
- invent new forms of local complementarity and cooperation: solidarity should not be only financial. Local areas must also be able to work together, along the lines of the reciprocity contracts introduced by certain metropolitan authorities in partnership with their hinterlands, to undertake joint projects that will enable them to combat all forms of inequality at this level, too.





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