France is in the midst of a poverty crisis

What impact has the Covid-19 pandemic had on poverty? **Nicolas Duvoux** presents findings from a major report on the impact of the virus in France. He writes that there is clear evidence the pandemic has accelerated levels of inequality in the country.

In January, French Prime Minister Jean Castex commissioned a report on the effects of the Covid-19 pandemic on poverty. The report was produced by the National Council of Antipoverty and Exclusion Policies (CNLE), a body that brings together non-profit organisations, trade unions, researchers, and people in poverty.

A peculiarity of the request by the Prime Minister was the qualitative method required. Poverty is often captured with quantitative measures, such as changes in the financial resources of citizens. However, even though some groups have seen their resources fall during the pandemic, qualitative methods may be the most apt for capturing the effects of the crisis.

The key finding of the report is that the pandemic has been both a 'revealer' and an accelerator of inequalities in France. The report provides many insights on the situation in the country and carries some more general lessons that have relevance for the rest of Europe and beyond.

Bismarck at work

The French welfare system has been effective at absorbing the economic toll of the pandemic. The number of people enrolled in the main *Revenu de solidarité active* (RSA) benefit increased 6.2% between the spring of 2020 and the spring of 2021. Yet this rise was mainly due to the fact that people were no longer able to move out from the safety net rather than large numbers of people falling into it.

Poverty is for many people a transient situation and transitions have been hindered. Relatively few people have fallen into poverty because of the substantial buffers that exist for stable employees. People already in the labour market have benefited from one of the strongest social protection systems in the world, being paid by the state at the rate of 86% of their former wage when their companies were closed because of the pandemic.

Instead, the pandemic has been a great 'revealer' of the labour market dualisation that exists in France. Part-time workers and casualised employees, mainly in the Paris region, have faced the biggest loss of income or of their jobs. Those below the poverty line have faced a double penalty. They have not only been unable to find employment, but have also lost access to resources from informal activities which ordinarily help keep them afloat.

The Bismarckian logic of the welfare state has thus been displayed: strong protection for stable employees, but weak protection for precarious workers as well as for small entrepreneurs that have endured the greatest economic toll. Since the first days of the lockdown in spring 2020, housing inequalities have also become highly visible in a country where the housing component of wealth was a strong determinant of overall inequality prior to the pandemic.

Young people in poverty

For other citizens, younger people especially, a much darker story has been told. Many young people in France are ineligible for the RSA benefit – a situation that <u>stands in contrast to most European welfare systems</u> where support is provided from the age of 18. With no access to the safety net, young people had to resort to queuing to get food aid in the worst days of autumn 2020, as well as during the previous spring.

Young people's enduring poverty has been particularly visible throughout the pandemic. The loopholes of the welfare system and the dependence of young people on often elusive solidarity from their families have appeared and only minimal answers have been provided to them.

Food aid has been key for the survival of many households. Asylum seekers have been put in dire situations and many people have had to ask for help given their lack of resources. Non-profit organisations have been, as elsewhere, at the forefront of the response. The limits of this kind of support are obvious and have given rise to a political debate about the possibility of extending the safety net to young adults – a solution rejected by the majority until now.

The crisis has ultimately had three clear effects. First, it has hindered people from exiting poverty. Second, it has thrown people who were close to the threshold into poverty. And finally, it has pushed a large number of people to ask for support from non-profit organisations that fight against poverty.

With the lockdowns, poor people have been faced with difficulties accessing social services as well as healthcare. Family ties and kinship have been mobilised to cope with difficult times and new forms of solidarity have been displayed. Yet this solidarity remains fragile. A related problem is that lockdown measures trapped people in small and inadequate housing, creating tensions and leading to violence, especially during the lockdown in autumn 2020.

Qualitative methods

The CNLE report also provides some methodological lessons for research on the impact of the pandemic and beyond. The first lesson is that qualitative methods are often more reactive than quantitative methods. Poverty rates are only known later on, which is in many cases much too late to adapt policies to deal with the degradation of living conditions among those in poverty. This is particularly important during a major crisis like the pandemic.

Second, qualitative methods are better suited for capturing levels of loneliness, anxiety and anger. These feelings and emotions are deeply rooted in material conditions. They have plagued the poor during the hardest times of the pandemic, much as they do in ordinary times.

Finally, qualitative methods not only help to explain feelings of stigmatisation, but also help uncover the economic constraints faced by those in poverty. For instance, restrictions on movement during the pandemic limited the shops people could access and prevented some of those in poverty from accessing cheaper products they were used to buying. Qualitative approaches can help shine a light on effects like this which put those in poverty at further financial risk.

For more information, see the accompanying report published by the CNLE

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