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Fighting poverty: is France falling behind?

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The monetary poverty rate, a benchmark indicator defined as the proportion of the population living with a standard of living below 60% of the national median, reached 15.4% in 2023 in metropolitan France, according to the latest figures from INSEE.

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The monetary poverty rate, a benchmark indicator defined by the proportion of the population living with a standard of living below 60% of the national median, reached 15.4% in 2023 in metropolitan France, according to the latest figures from INSEE. This marks the highest level since 1996, corresponding to nearly 9.8 million people living below the poverty line, set at €1,288 per month for a single person in 2023.

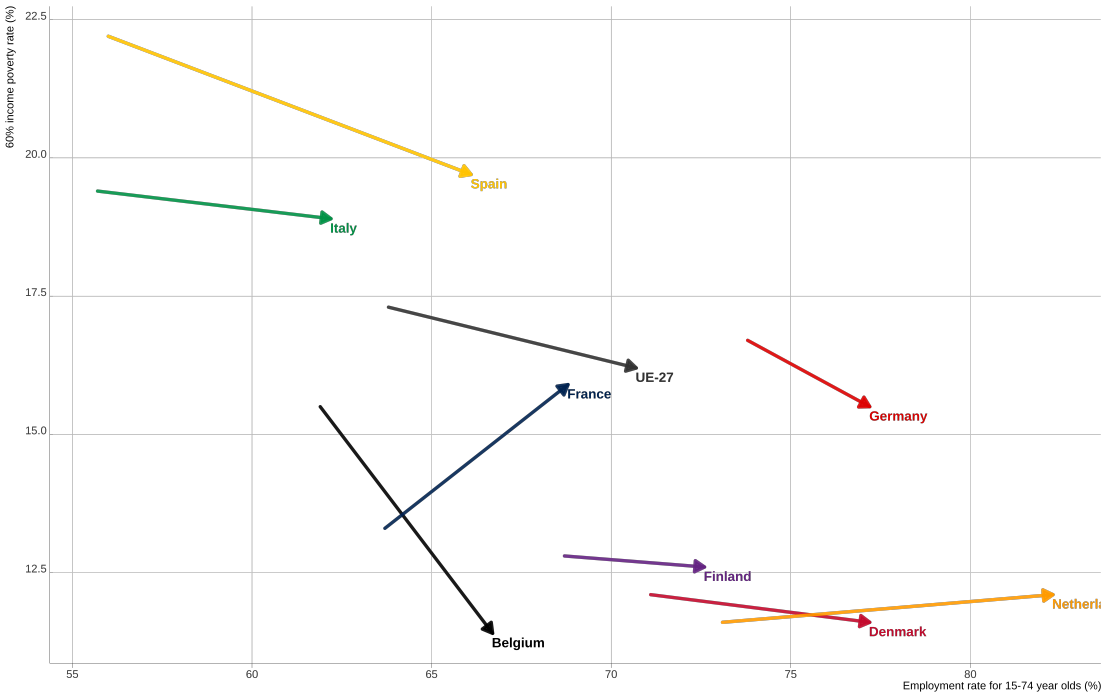
This rise comes against a backdrop of high inflation, the phasing out of exceptional purchasing power support measures, and an increase in financial income. In 2023, while the standard of living of the most modest households fell by 1% in constant euros, that of the highest deciles rose by 2.1%.

0.1 Employment and poverty: the French exception

Contrary to the trend observed in most European Union countries, France stands out for the disconnect between employment dynamics and poverty dynamics. According to Eurostat data, between 2014 and 2024, while the employment rate for 15-74 year olds increased by +5.3 points, the monetary poverty rate also increased by +2.6 points[1] (graphique 1). This contrasts with the rest of Europe, where improvements in the labor market have most often coincided with a decline in poverty.

[1]INSEE analyses (ERFS, Tax and Social Income Survey) are used for national accuracy. European comparisons are based on the harmonized **EU-SILC** survey (Statistics on Resources and Living Conditions – SRCV in France), required by Eurostat. This harmonization ensures comparability between countries, but may result in a one- to two-year lag in the income reference compared to recent national figures.

Graphique 1: Employment and poverty rates between 2014 and 2024



Scope: Change in the employment rate for 15-74 year olds and the 60% income poverty rate between 2014 and 2024.
Reading: In Spain, in 2024, the employment rate for 15-74 year olds was 66.1% compared to 56% in 2014, an increase of 10.1 pts. Over the same period, the poverty rate fell by 2.5 points.
Note: For more information: New forms of poverty and redistribution. (2025). Social information, (213).
Sources: Eurostat, author's calculations.

The shift in employment observed during this period could partly explain these changes. Between 2013 and 2023, for example, the share of self-employment in total employment increased by 1.2 points, from 9.9% to 11.2%. During this period, more than 1.5 million jobs were created in the private sector, half of which were in micro-enterprises (INSEE, 2025), and these groups have low average pay levels (Insee, 2025).

At the same time, the number of apprentices has also risen sharply, from 565,000 in 2017 to over 1 million in 2023, effectively increasing the number of employees below the poverty line[2]. In addition, it is possible that the improvement in the labor market, combined with the tax cuts implemented in recent years (income tax, housing tax, overtime, etc.) may have supported the standard of living of households close to the median standard of living more than that of the most modest households, thereby "mechanically" increasing the monetary poverty rate (OFCE, 2022).

Finally, these differing dynamics of employment and poverty raise questions about the evolution of the effectiveness of the redistributive system in France over the last decade.

0.2 Monetary redistribution becoming less and less effective

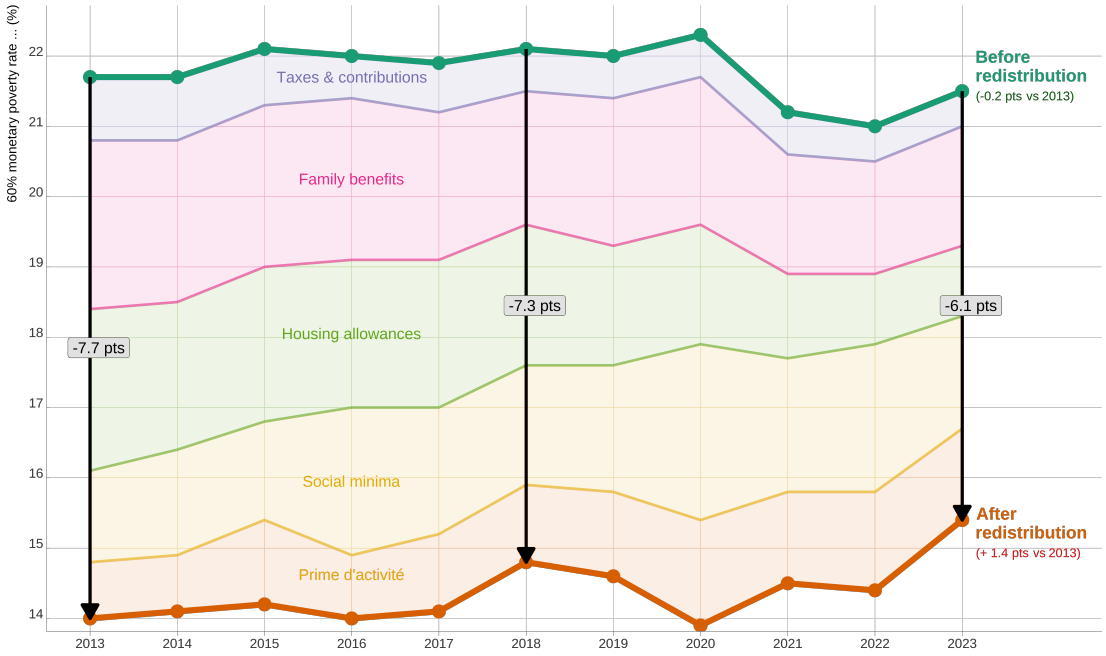
Historically, the French social protection system has played an essential role in reducing monetary poverty, managing to reduce its rate by more than seven points after transfers, which places France in a relatively favorable position in Europe. However, recent data from INSEE (ERFS 2023) confirm an erosion in the effectiveness of this redistributive

[2]Apprentices receive remuneration corresponding to a percentage of the minimum wage, which varies according to their age and progress in the training cycle. When they are under 26 and not in their third year of apprenticeship, their remuneration is less than €1,099.10 per month.

model, visible in the reduction in the gap between the poverty rate before and after redistribution, which fell from 7.7 points in 2013 to 6.1 points in 2023 (graphique 2).

Despite the decline in poverty before redistribution, the ability of social transfers to lift households out of poverty has weakened considerably in recent years[3]. In 2017, social benefits enabled 37% of households that were poor before redistribution to escape monetary poverty. In 2023, this share was only 28%. Part of the explanation could lie in an increase in the intensity of poverty before redistribution. Indeed, poverty intensity measures the distance between households in poverty and the monetary poverty threshold. When this distance increases, it is likely to be more difficult for them to exceed this threshold through the redistributive system. In reality, this explanation appears to be weak, as poverty intensity remained stable overall during the period.

Graphique 2: Monetary poverty rate, after each stage of redistribution. In %.



Scope: Metropolitan France, individuals living in ordinary housing and in a household with a declared income of zero or above, where the reference person is not a student.
Reading: In 2023, before redistribution, the 60% poverty rate stood at 21.5%. After payment of direct taxes and social security contributions and payment of social benefits, the monetary poverty rate was reduced by 6.1 points to 15.4%.
Note: For more information: New forms of poverty and redistribution. (2025). Social information, (213).
Sources: Source: INSEE, ERFS 2013-2023, author's calculations.

This underperformance can be explained in part by cost-cutting measures that have curtailed the redistributive power of two key mechanisms: family benefits and housing allowances. Savings made on housing allowances (reduction in solidarity rent, contemporaneity, under-indexation) reduced the impact of transfers on the monetary poverty rate. Similarly, the low revaluation or modulation of family benefits limited their ability to offset inflation and lift low-income families out of precariousness. As a result, these savings have largely neutralized the beneficial effect of improved employment on poverty

[3]See Coordination : MADEC, Pierre et PUCCI, Muriel, 2025. Nouvelles formes de pauvreté et redistribution. Paris : Caisse nationale d'allocations familiales. « Informations sociales », 2025/1 n° 213, p.153. URL : https://shs.cairn.info/revue-informations-sociales-2025-1?lang=fr.

before redistribution, leading to a rise in the poverty rate after redistribution to 15.4% in 2023.

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