

# Social Benefits, Related Entitlements and Local Social Support: A New Assessment

Denis Anne\* and Yannick L'Horty\*\*

---

**Abstract** – We draw up an inventory of entitlements related to social benefits and social support available locally to beneficiaries of the *revenu de solidarité active* (RSA, the current scheme of minimum income) in 20 French cities, including Paris, Lyon and Marseille. We then compare the social scales inventoried in 2020 to those collected in 2001 and 2007, i.e. prior to the switch from the previous minimum income scheme (RMI) to the RSA. We show an overall shift towards more degressive conditions for granting support. In all the cities covered and for all family configurations, threshold effects have become limited, at the cost of a sometimes high degree of complexity. The only exception is Paris, where social support is generally more generous and where threshold effects remain. Taken as a whole, local social support scales have been brought into line with the RSA scale, whereas prior to 2008 they were more in line with the RMI scale, which confirms the guiding role played by national scales on local scales. In particular, we examine the effects of these transformations on the standard of living of recipient households and on incentives to work.

---

JEL Classification: H55, H75, I38

Keywords: local social support, related entitlements, redistribution, fight against poverty, RSA

\*ERUDITE (EA 437), TEPP (FR 2042); \*\*Univ. Gustave Eiffel, ERUDITE (EA 437), TEPP (FR 2042) (yannick.lhorty@univ-eiffel.fr)

*This study was supported by the Cour des comptes as part of a partnership agreement with Gustave Eiffel University. We would like to thank the members of the steering committee, in particular Mathieu Dufoix, Emmanuel Giannesini and Loïc Robert, for having supported this project in the context of the Court's report on the assessment of the RSA. We thank Mathilde Leborgne and Isabelle Walraevens for their support in the data collection phase. This study was presented at the 7<sup>th</sup> AFSE-DG Trésor conference on 9 December 2021 and we would like to thank Étienne Lehmann and the conference participants for their comments.*

Received in May 2021, accepted in December 2021. Translated from "Droits connexes et aides sociales locales : un nouvel état des lieux".  
The opinions and analyses presented in this article are those of the author(s) and do not necessarily reflect their institutions' or Insee's views.

Citation: Anne, D. & L'Horty, Y. (2022). Social Benefits, Related Entitlements and Local Social Support: A New Assessment. *Economie et Statistique / Economics and Statistics*, 530-31, 3–26. doi: 10.24187/ecostat.2022.530.2064

The French low income support system is not limited to national and statutory benefits, such as the RSA and housing benefits. It is organised around several interdependent levels, with a layer of primary support that falls under the national and legal basis and a vast array of secondary social support referred to as “related entitlements”. This expression is misleading. Of course, these forms of support are related because they are small in amount and their purpose is to supplement the national and legal basis of social transfer income (statutory minimum income, family benefits, etc.); however, they are not always rights, as the French term *droits* would suggest, as they are often granted on the basis of a social assessment carried out by the providers.

Some of these related benefits are national support measures, such as the Christmas bonus payment (*prime de Noël*), exemptions from the public-service broadcasting contribution (*contribution à l’audiovisuel public*), the social telephone discount (*réduction sociale téléphonique*), the energy voucher (*chèque énergie*) and the complementary health cover (*Couverture maladie universelle complémentaire*, which was replaced by the *Complémentaire santé solidaire* on 1 November 2019). They also include local social support, granted by the departments, municipalities and groups of municipalities, the regions and local family benefit funds in various social action areas, such as school meals, leisure centres, holiday support, payment of outstanding debts, transport and mobility support and social rates for public facilities (swimming pools, museums, etc.). These social benefits are means-tested and/or status-tested when aimed to specific groups of population (jobseekers, large families, RSA recipients, people with disabilities, etc.).

While they are individually small in amount, the benefits from related entitlements can cumulatively provide a significant income supplement for low-income households. As they are highly degressive on the basis of household resources, they are quickly lost on return to work and can play an important role in monetary incentives to work. Taking them into account can therefore significantly alter the diagnoses of the many studies on the impact of social transfers, which ignore this aspect of redistribution. This is the case of studies on the effects of national and statutory tax and transfers on poverty (Bargain *et al.*, 2017), on redistribution (Bourguignon, 1998; Chanchole & Lalanne, 2012), on the standard of living of families (CSERC, 1997; Simonnet & Danzin, 2014) or on the monetary

gains of returning to work (Laroque & Salanié, 1999; Legendre *et al.* 2003; Hagneré & Trannoy, 2001; Bargain & Terraz, 2003; Gurgand & Margolis, 2008; Bargain & Vicard, 2014; Lehmann, 2016; Sicsic, 2018).

However, little is known about these benefits, probably largely due to the difficulty of observing them. They cover an extremely wide variety of schemes in terms of allocation, involve multiple actors at different geographical intervention levels, and there is no exhaustive inventory of all the local social support scales. These were the starting points of two previous studies carried out in France on related entitlements (Anne & L’Horty, 2002; 2009). These studies were based on two data collection campaigns, in 2001 and 2007, and on a simulation tool called Equinoxe (see Box 1). In particular, they have shown that the highly degressive nature of the scales and their powerful threshold effects can significantly alter the findings on the redistributive nature of national transfers that do not take into account related entitlements.

In this new study, we rely on a third data collection campaign on related entitlements and local social support, carried out in 2020, using the same procedure, the same assumptions and the same data processing as in the 2001 and 2007 collection campaigns. This new campaign to collect data on local social scales covers a sample of 20 cities, including Paris, Lyon and Marseille, corresponding to all of the localities studied previously. We can thus observe, for the first time, the long-term evolution of the scales over two decades, before and after the reform of the minimum income scheme in 2008 (which replaced the *Revenu minimum d’insertion*, RMI, by the *Revenu de solidarité active*, RSA, the current scheme)

The first section recalls the main findings of previous studies on related entitlements. The second section presents the procedures and assumptions adopted for data collection and processing. The third section presents the main findings of the study.

## 1. The Previous Studies

While there is extensive theoretical and empirical literature on the local effects of national social transfers, this is not the case for the national effects of local social support. In fact, decentralised financial support granted by local authorities to poor households, and more specifically the conditions governing allocation and the scales of local and/or optional support, are not a topic of interest in the economic

literature on redistribution. Empirical work on the progressive nature of taxation and the degressive nature of social support, the calculation of the marginal tax rates implicit in a given redistribution scheme and the evaluation of the incentive effects of support scales do not take local support into account.

In France, the first study on social and/or optional support, carried out in response to a commission from the Ministry of the Economy and Finance, was published in the early 2000s (Anne & L'Horty, 2002). In 10 cities and for 6 types of family configurations, it gathered data on all the social benefits for which the conditions governing allocation are explicit, excluding support without a precise scale and support restricted to certain categories (young people, elderly people, unemployed people or disabled workers). The study showed firstly that, for a household with no income that would receive all the benefits to which it is entitled, the accumulation of related entitlements can represent, on average, almost a fifth of its resources and increase the support received by more than a quarter compared to the resources from national transfers alone. Although the scales for the allocation of this support vary considerably by type of benefit and locality, the focus on children is a common feature of local benefits, which are much higher, and more regular, everywhere for households with children.

This first study showed that these benefits are stable in the case of earned income up to the RMI ceiling, whereas national and statutory benefits decrease very sharply. Above the RMI, they decrease sharply, sometimes with huge threshold effects, while national benefits become less decreasing. Local benefits also considerably increase the minimum working time required for employment to generate a monetary gain (known as the “reservation period”): on the basis of a job paid at the minimum wage (SMIC), it is necessary, on average, to work 13 hours more each week to compensate for the loss of these local benefits, this being particularly noticeable for households with children. The study thus establishes a high level of responsibility on the part of local and extra-statutory benefits in the existence of poverty traps, i.e. low income areas from which it is expensive to escape. This has more to do with the conditions under which local support is granted than with the generosity of such support: local support subject to status, means-tested flat-rate support or, more generally, the highly degressive nature of local transfers above the RMI ceiling heavily penalises a return to work.

The second study on related entitlements (Anne & L'Horty, 2009) was carried out in the context of the reform of the RSA, at the request of the *Haut commissariat aux Solidarités actives contre la pauvreté* (a National Commission dedicated to poverty). It is based on a new inventory of the scales of the local and/or non-statutory social support offered in 2007 in 13 French cities, including Paris, Lyon and Marseille. It shows that, in most localities and for most family configurations, a part-time job paid at the minimum wage leads to a loss of income relative to a situation without a job, while a full-time job does not always guarantee a net gain. The positive effects of some reforms have been neutralised by the effects of other measures, such as the widespread application of transport subsidies distributed by the regions, the development of social telephone and electricity tariffs or the exemption from the public-service broadcasting contribution. Despite their low amount, related entitlements continue to have a significant effect on reservation durations for almost all family configurations. Although the incentive scheme enables RMI recipients to compensate for these effects, it is only temporary and is not available for all family configurations or in all localities.

The study also offers a simulation of the replacement of the RMI and the *Allocation de parent isolé* (API, a benefit to single parents) with the RSA. The simulation shows that the RSA makes the return to work provide a monetary gain in almost all cities and family configurations, which is not possible with the RMI, even taking into account the incentive. The simulation covers several theoretical RSA scales and was used by the government to determine the final RSA scale. The marginal rate of 30% initially planned allows for the elimination of all local poverty trap situations. The same result is also obtained with a marginal rate of 40%, which corresponds to a lower cost for public finances. Above 40%, however, the RSA is no longer as effective in stimulating gains from a return to work. The study thus provides a strong justification for the marginal rate of 38% ultimately chosen by the government, which effectively achieves the objective assigned to the RSA of not penalising its recipients monetarily when they find a job, at a minimal cost to public finances. This effect is described as “spectacular” in the study: the simulation of the implementation of the RSA scale with a marginal tax rate of 38% does indeed eliminate poverty traps in all localities and family configurations.

This result is nevertheless obtained under the assumption that the amounts of related

## Box 1 – EQUINOXE

Equinoxe (an acronym of the French phrase *Évaluateur QUantitatif INTégré de droits cONneXEs*, which translates as Quantitative evaluation tool integrating related entitlements) is a system for observing social support to low-income households and for simulating social transfer reforms. It is the only simulation tool available in France that integrates the local aspect of social transfers by taking into account the support paid by town halls, departments, family benefit funds and local charities. Equinoxe calculates the amount of social support based on household resources for a sample of cities (including Paris, Lyon and Marseille). The version of the model used for this study is the third; the first was developed based on a sample of 10 localities and for scales relating to the year 2001 (Anne & L'Horty, 2002) and the second was based on a new sample of 13 localities for scales collected between the end of 2006 and the beginning of 2007 (Anne & L'Horty, 2009).

The point of view adopted is that of the household receiving the support. The simulator comprehensively integrates national and/or statutory benefits, as well as all local and/or optional benefits, provided that these benefits are monetary (or can be translated into a monetary equivalent), paid on a regular basis and calculated on the basis of a scale.

In each locality and for each family configuration, Equinoxe calculates the amount of support based on income, taking into account the conditions for cumulating related entitlements, including if their basis includes the amount of national benefits (which Equinoxe checks). It provides the amount of social support, net income and marginal tax rates according to household income, by support category, by household type or by locality. It also evaluates the weekly time of work in a minimum wage job to earn at least as much as if one did not work (referred to as “reservation time”).

Equinoxe can simulate the effect of national and statutory benefit reforms on related entitlements, which makes it possible to evaluate the effects of a reform of social transfers on income by taking into account the interdependencies between benefits.

entitlements remain unchanged following the RSA reform. A more forward-looking analysis, which looks at possible adjustments to local support in the new context of the RSA, shows that certain adjustments to local support may limit the positive effects of the RSA and recreate poverty traps (for example, if a local authority, noting the greater generosity of national support for the working poor, chooses to tighten its support for the poorest recipients). The study then recommends that local support subject to status be transformed into means-tested support, with scales that are not very degressive, in order to make local social policies consistent with the objectives of the national RSA reform.

This regulatory part of the study was drawn up as part of a parliamentary mission on behalf of the High Commission against Poverty (*Haut commissariat aux Solidarités actives contre la pauvreté*), aimed at formulating proposals to “put an end to the threshold effects linked to the entitlements related to the statutory minimums granted by local authorities, their groupings and public establishments and social security funds”. Following the publication of the parliamentary mission’s report (Desmarescaux, 2009), a guide to local related entitlements was produced in July 2009 by the High Commission against Poverty and a joint declaration on the criteria for the allocation of optional social support was signed by eight institutions,<sup>1</sup> recommending that any threshold effect in local social support scales should be avoided so as not to discourage recipients from returning to work or taking up an activity. This study will make it possible to

verify, more than a decade later, the extent to which these recommendations have had effects.

## 2. Coverage of the Study and Assumptions

For the study presented here, a third data collection campaign concerning related entitlements and local social support was carried out between October and December 2020. As with the two previous studies, we again collected data on social support from the websites of the various providers at municipal, inter-municipal, departmental and regional levels (including municipal social centres – CCAS, *Centres communaux d'action sociale*, inter-municipal authorities – EPCI, *Établissements publics de coopération intercommunale*, local family benefits centres – CAF, *Caisse d'allocations familiales*), supplementing these data as necessary with direct requests to the support providers.

The sample covers 20 cities (see Appendix 1, Table A1-1), including all those used in the two previous studies (Anne & L'Horty, 2002; 2009). The sample contains a total of 4.6 million inhabitants and includes cities of various sizes: in addition to Paris,<sup>2</sup> Lyon and Marseille, the

1. Assemblée des départements de France, Association des maires de France, Association des régions de France, Caisses nationales d'allocations familiales (CNAF), the National Health Insurance Funds (Caisse Nationale d'Assurance Maladie des Travailleurs Salariés – CNAMTS, and Caisse centrale de la mutualité sociale agricole – CCMSA), the Employment agency (Pôle emploi) and the National Union for Municipal Social Action Centres (Union Nationale des Centres Communaux d'Action Sociale – UNCCAS).

2. For Paris, we consider two arrondissements (the 14<sup>th</sup> and the 19<sup>th</sup>) where and the local support offered differs.

three largest cities in France, it includes three other cities with more than 100,000 inhabitants, six cities with 50,000 to 100,000 inhabitants, three cities with 10,000 to 50,000 inhabitants and two municipalities with fewer than 10,000 inhabitants. In addition, these cities belong to 12 different departments and 6 different regions, making it possible to observe a wide variety of departmental and regional support.

### 2.1. Social Support Covered

The focus is on monetary support available to poor households, in particular RSA recipients. For all of the support, whether national or local, the scales for which data is collected are those in force in 2020.<sup>3</sup>

We first take national and statutory benefits into account: the RSA, the in-work benefit (*prime d'activité*), housing benefits (*allocations logement*), family benefits (*allocations familiales*), early childhood benefits (*prestation d'accueil du jeune enfant* – PAJE, which includes birth and basic allowance), the back-to-school allowance (*allocation de rentrée scolaire*) and the complementary health insurance. We then look at national related entitlements, such as the Christmas bonus payment, the television licence exemption, the social telephone discount, the social electricity tariff, the energy voucher and the housing tax rebate (*dégrèvement de taxe d'habitation*). Finally, we take into account local and/or optional social benefits, in particular social support from the departmental councils (mobility, holidays, etc.), social action from the Family Allowance, support from towns and municipal social action centres (including school meals, leisure centres, holiday support and municipal facilities) and regional support (public transport).

We do not include emergency support, support from charities, temporary support for returning to work (*prime de retour à l'emploi*), discretionary support granted by local commissions without scales, social loans, support restricted to particular populations (the elderly, young people and people with disabilities or illness) and support specific to certain equipment and needs (e.g. the energy transition tax credit).

The study does not take into consideration childcare support, although it is likely to have an important effect on women's return to work. This support varies greatly depending on the type of childcare (existence of a crèche, nature of the crèche and rate of coverage). Families are therefore assumed not to use any form of childcare for children under the age of three,

which means that no distinction is made between couples in which one partner works or couples in which both partners work. The implicit assumption is that they have free childcare, such as that provided by a close relative, for example. This assumption minimises the cost of access to employment for mothers.

### 2.2. The Case Study

The methodology used is a case study approach. We cover all categories of households in all localities and, for each cell thus constituted, we create a fictitious household for which the reference person is aged between 25 and 60 and the other attributes are the most frequent characteristics of each distribution (modal point) or are determined by assumption. We assume that couples are married or in a civil partnership and that children are in school from the age of three. We also assume that single parents have sole custody of their child and receive the family support allowance. Their dwelling is assumed to be in the private sector.

We consider seven household types (Table 1), with each case study corresponding to a given household configuration in a particular locality (for example, a couple with three children in Marseille), giving a total of 140 case studies.

### 2.3. Assumptions on Take-Up and Use

For each case study, we make reasonable assumptions about the use of support, which are the same as in our previous studies. These assumptions are set out in Table 2. Generally speaking, we do not measure the amounts of support actually received by recipient households, but rather estimate general entitlements based on the level of resources of a typical household. Firstly, many types of support are not taken into account in the analysis, when they are category specific or allocated without a means test. Secondly, there is no guarantee that the support identified is received systematically by each potential recipient (for example, for the basic RSA, the non-take-up rate would be between 28% and 35% according to Chareyron, 2018). It is likely that situations of non-take-up are more frequent for local support than for national support, due to support being provided by multiple bodies, the lack of information for applicants and the complexity of the conditions for granting support.

3. The study does not include any exceptional support or revaluation associated with the COVID-19 health crisis.

Table 1 – Household types

Household configuration and abbreviation	Assumptions about children's schooling:			Dwelling type
	Child 1	Child 2	Child 3	
Single person (SP)				T1
Single parent family, one child under three (S. parent ch-3)	< 3 years old, not in school			T2
Single parent family, one child over three (S. parent ch3+)	6–10 years old, in primary school			T2
Couple without children (C. 0 child)				T2
Couple with one child (C. 1 child)	< 3 years old, not in school			T3
Couple with two children (C. 2 child.)	6–10 years old, in primary school	< 3 years old, not in school		T3
Couple with three children (C. 3 child.)	6–10 years old, in primary school	3–5 years old, in kindergarten	< 3 years old, not in school	T4

Sources: Equinoxe 2020, TEPP-CNRS.

Table 2 – Use assumptions

Nature of the support	Use	Use/consumption assumption
School meals	Yes, for children in school	144 days per year per child in school
Children leisure centres without accomodation (CLSH)	Yes	20 days per year per child over 6 years old
Holidays	Yes	1 week (7 days) per year*
Sports activity	Yes	1 per week (swimming pool) per household
Cultural activity	Yes	1 per month (museum or theatre) per household
Transport	Yes	"Pass" type subscription if available. Otherwise, assumption of 150 annual SNCF return trips for municipalities close to an urban centre (less than 30 km) and 52 return trips if the municipality is farther away (i.e. 1 per week)
Social housing support ( <i>Fonds de solidarité pour le logement</i> )**	Yes	Housing maintenance support. Every 10 years. Annualised amount
Housing equipment	Yes	Every 5 years. Annualised amount

\*The rent is based on the average rent used in Equinoxe second version (Cf. Box 1) plus the increase in the average rental price since then, i.e. 1.9% per year since 2007. For a single person, the rent amount used is €268 for a week's holiday.

\*\*The amount is either the maximum amount in Euro or 4 months' unpaid rent.

Sources: Equinoxe 2020, TEPP-CNRS.

The sources of income, whether from work or assistance, taken into account are detailed in Table 3. We assume that jobseekers are not compensated under unemployment insurance and therefore we do not take its scale into account (for information on the threshold effects of unemployment insurance, see Cahuc & Prost, 2015). However, jobseekers can receive certain support (e.g. for transport or for access to municipal facilities) simply by being registered with the employment agency (Pôle emploi), which can lead to threshold effects. We therefore assume that jobseekers are registered with Pôle emploi. An additional assumption was needed to determine the point at which individuals ceased to be registered with Pôle emploi.<sup>4</sup> We have assumed that this occurs once each adult in the household receives a monthly earned income corresponding to the full-time SMIC, i.e. €1,219 net per adult in 2020.

For the income tax, we use the scale in force for 2019 income and we apply the family

quotients corresponding to the case studies, the 10% fixed deduction for professional expenses, the discount, the ceiling on the tax advantage linked to the family quotient and the income tax collection threshold. Due to the assumptions used in the study, no deductions (other than the fixed deduction for professional expenses) or specific tax credits are taken into account.

In order to calculate the rent, which is necessary for the calculation of housing allowances and several related support measures, we have used the same sources as in the 2001 and 2007 studies. In 2001, we used INSEE data on average rents according to the size of the municipality. In 2007, we used the more precise data from the National Real Estate Federation's (*Fédération nationale de l'immobilier* – FNAIM) national rental market observatory. These data provided

4. We checked with Pôle emploi that this assumption was consistent with the modal reservation wage reported by those registered.

Table 3 – Sources of income taken into account in the calculations

Income or transfer	Inclusion	Comments
Earned income	Yes	In increments of €20 per month
Unemployment benefits	No	Hypothesis
RSA	Yes	
In-work benefit	Yes	
Family benefits	Yes	Couple with 2 children/Couple with 3 children
PAJE basic allowance (child under 3 years old)	Yes	Single person with 1 child under 3 years old/Couple with 1 child/ Couple with 2 children/Couple with 3 children
PAJE birth bonus payment	Yes	Single person with 1 child under 3 years old/Couple with 1 child/ Couple with 2 children/Couple with 3 children
Family support allowance	Yes	Single person with 1 child under 3 years old/ Single person with 1 child aged 3 or over
Family supplement	No	Couple with three children (children must be over 3 years old to receive assistance)
Personal housing benefit ( <i>Aide personnalisée au logement</i> – APL)	Yes	Based on an estimate of local rental costs
Income tax	Yes	
National related entitlements		
Back-to-school allowance	Yes	Single person with one child aged 3 or over/Couple with 2 children/ Couple with 3 children
Christmas bonus payment	Yes	
Exemption from the public-service broadcasting contribution	Yes	
Social telephone discount	Yes	
Energy voucher	Yes	
Complementary health insurance	Yes	Estimated by comparison with the cost of a basic mutual insurance policy from the MAAF group
Housing tax rebate	Yes	Difference between the amount of housing tax with and without rebate

Sources: Equinoxe 2020, TEPP-CNRS.

the average rents for the different types of dwellings (T1, T2, etc., which refers to the number of rooms) for the various regional urban centres. In order to estimate the 2020 rent based on our 2001 and 2007 estimates, we use the INSEE's rent index (*Indice de référence des loyers* – IRL), which provides the basis for rent increases in the private rental sector. A discount of 20% is applied to these rents on the assumption that low-income households occupy dwellings with below average rents. For small towns not explicitly listed by the FNAIM, an additional discount is applied to the average rent of the reference municipality (10% for medium-sized cities and 20% for small municipalities). We estimate utilities costs to be 25% of the rent. These costs are used for the allocation of various social support measures, as part of the calculation of an "available income" (*reste à vivre*), i.e. the income remaining after taking into account compulsory expenses. Some support measures define this available income in a restrictive way by excluding all the compulsory expenses linked to the dwelling (insurance, water, electricity, gas, heating, telephone, etc.) from the utilities costs. We also estimate these expenses to total 25% of the rent. As the dwelling is assumed to belong

to the private rental sector, the rent reduction (*Réduction de loyer de solidarité* – RLS) does not apply and is therefore not included in the calculation of the housing benefits (*Aide personnalisée au logement* – APL). In line with the assumption of the dwelling being in the private rental sector, we do not take the rent reductions associated with social housing into consideration. Finally, the social tax on income (CRDS) is not included in the calculations either.

As in our previous studies, we include the reduction in the amount of the housing tax enabled by the rebate (including the ongoing extension thereof) in the total of national related entitlements. The amounts of housing tax are established based on the rates for 2019, which is the last year for which data is available on the tax authorities' website ([www.impots.gouv.fr](http://www.impots.gouv.fr)). Some cities (Lyon, Le Mans, Martigues, Paris and Fontenay-sous-Bois) have retained tax abatement rates (or flat rates) that were previously more favourable than the current common law rates and the general tax abatement rate applied by the city is not available; in such cases, the tax abatement rates applied are the current maximum rates (15%), except

for Paris, where the flat-rate tax abatements actually applied have been included. An overall taxation rate is therefore estimated (the sum of the rates applied by the various local authorities) and applied to the estimated gross rental value (GRV) of the household's dwelling. As this GRV for the municipality is based on old land register databases, it is assumed to correspond to 6 months of current rents. The amount of the abatements is in turn calculated based on the average rental value (ARV) of the city (average of the municipal GRVs). In order to estimate this ARV, we use the GRV of a T3 dwelling in the municipality as the central value.<sup>5</sup>

### 3. Results

The data collected in this manner can be analysed based on various aspects, such as differences between localities, differences according to family configuration, differences according to the nature and amount of the support, differences according to the level of earned household income and changes over time.

To begin with, we examine the amounts of national and statutory social transfers, national related entitlements and local social support on average (unweighted) across the 20 cities, for different household configurations and different levels of earned income. This is a way of producing an initial overview of related entitlements.

#### 3.1. The Importance of Related Support for Poor Households

Figure I shows the amounts of the three categories of benefits for households with no earned income (I-A), then for "average" households earning the equivalent of half a minimum wage (I-B) and one full minimum wage (I-C), assuming those households use the full range of national and statutory benefits to which they are entitled in all cases.

It can be seen that the amounts of the various support measures depend on family configuration and that they logically decrease when the earned income increases, but they remain positive. For example, a single person with no earned income received a total of €8,702 national and statutory social transfers in 2020, €1,432 national related entitlements (Christmas bonus payment, television licence exemption, social telephone discount, energy voucher, social health cover and housing tax rebate), or 12.9% of their income, together with (on average, for the 20 cities in our sample) €949 in local social support, or 8.6% of their income. At the other end

of the family configuration scale, a couple with no earned income and three children had €20,873 in national and statutory transfers, to which national related entitlements added €3,274, or 11.8% of their resources, while local support added €3,546, or 12.8% of their resources.

Related entitlements therefore potentially represent a significant proportion of the resources of poor households. Depending on family configuration, local social support represents between 6.5% and 12.8% of the total resources of households with no earned income. The sum total of related, national and local entitlements represents between 17.5% and 25% of total income. Local support represents at least half of the national related entitlements and can be as high as 110%. All related entitlements add between 21.3% and 33.3% to the national statutory benefits of poor households, depending on the family configuration. When households have earned income, the weighting of benefits linked to related entitlements relative to national and statutory transfers increases slightly at half a minimum wage and decreases slightly at one full minimum wage. Up to half a minimum wage, the overall degressive nature of related entitlements is therefore no more marked than that of national and statutory transfers.

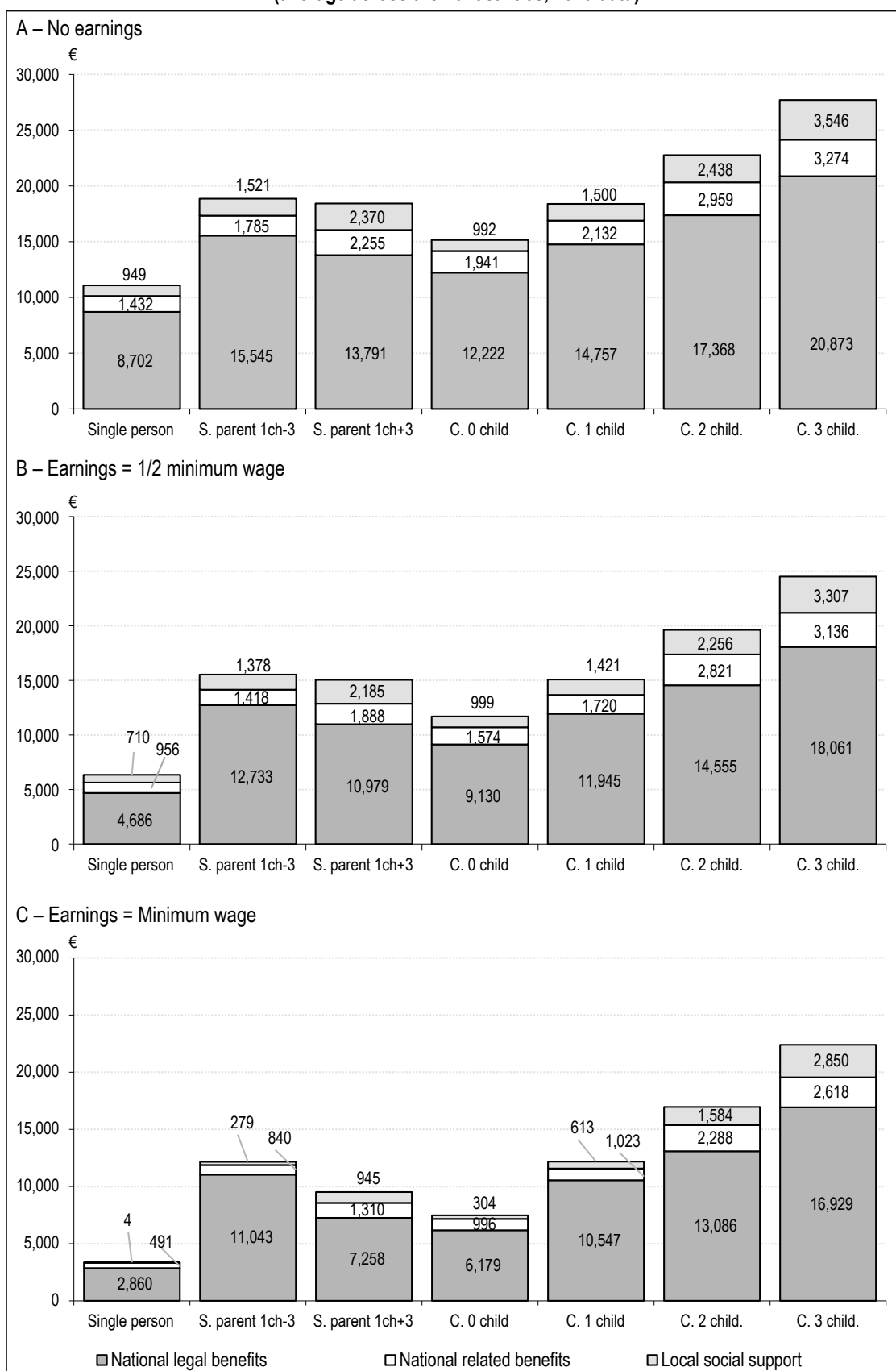
It can be noted that the larger the household, the greater the weighting of benefits associated with related entitlements in household income. In other words, local social support is more sensitive to family size and the presence of children than national and statutory benefits. This result, already present in our first study (Anne & L'Horty, 2002), shows that the equivalence scale of related transfers (national or local) is very different from that of national and statutory transfers. Couples without children seem to be disadvantaged, while households with children are given preference by the local support scales, compared to the national scales.

There is little spatial variation in statutory national support and the same is true of national related entitlements, although there are elements of variation through the calculation of housing tax rebate. However, local social support does vary greatly from one locality to another. For example, for a single unemployed person, the amount of local social support, averaging €949, ranges from a minimum of €390 in Béziers to a maximum of €2,392 in the 19<sup>th</sup> arrondissement

5. The credibility of this assumption has been checked in four municipalities; it also confirms the previous assumption of a rental value based on 6 months' rent, see Appendix 1, Table A1-2.



Figure I – Amount of support by household type, according to earned income (average across the 20 localities, 2020 data)



Sources: Equinoxe 2020, TEPP-CNRS.

of Paris, which is a ratio of 1 to 6. For a couple with three children, the average amount of local social support is €3,515, with the minimum being €1,410 in Pecquencourt, in the Nord department, and the maximum being €8,535, again in the 19<sup>th</sup> arrondissement of Paris; the ratio remains 1 to 6.

### 3.2. Diversity of the Support

We will now disaggregate the support to get a fuller picture of its diversity. The first impression that emerges from the observation of all the scales for which data was collected, for each type of support, in each city and for each family configuration, is indeed one of the great diversity of the support. As we have already noted in our previous studies, the conditions governing the allocation of local social support are heterogeneous both between cities and between benefits. Within a single locality, there are usually as many different scales as there are different benefits. For a single benefit, there are often as many different scales as there are localities. This diversity is reflected in both the amount and the form of the support.

It can be highlighted first of all for some example benefits. In Figure II, we show the scale giving the amount of local social support in accordance with gross earned income for a selection of 12 localities<sup>6</sup> for three types of social support: transport support for a single person (II-A), which corresponds either to regional support or to support granted by an EPCI; reductions associated with the social rate for school canteens for a single person with one child over the age of three in primary school (II-B); support rate for attendance at the municipal theatre for a single person (II-C). For each of these support measures, the scales differ from one city to another, not only in respect of the amount of the support, but also in relation to the type of scale (staircase scale, degressive linear scale, whichever) and the income bracket that defines eligibility for support. This profile is the same for all local social support and all family configurations.

The diversity of the support can also be highlighted by looking at the scales of all local social support for a given locality and family configuration. In Figure III, we illustrate this diversity for a couple with two children in 3 localities: Béziers (III-A), Montreuil (III-B) and the 14<sup>th</sup> arrondissement of Paris (III-C). For each of these cities, the scales differ from one benefit to another, not only in respect of the amount of the support, but also in relation to the type

of scale (staircase scale, degressive linear scale, whichever) and the income bracket that defines eligibility for support. The same applies to all other localities and for all family configurations.

### 3.3. Common Features of Local Social Support

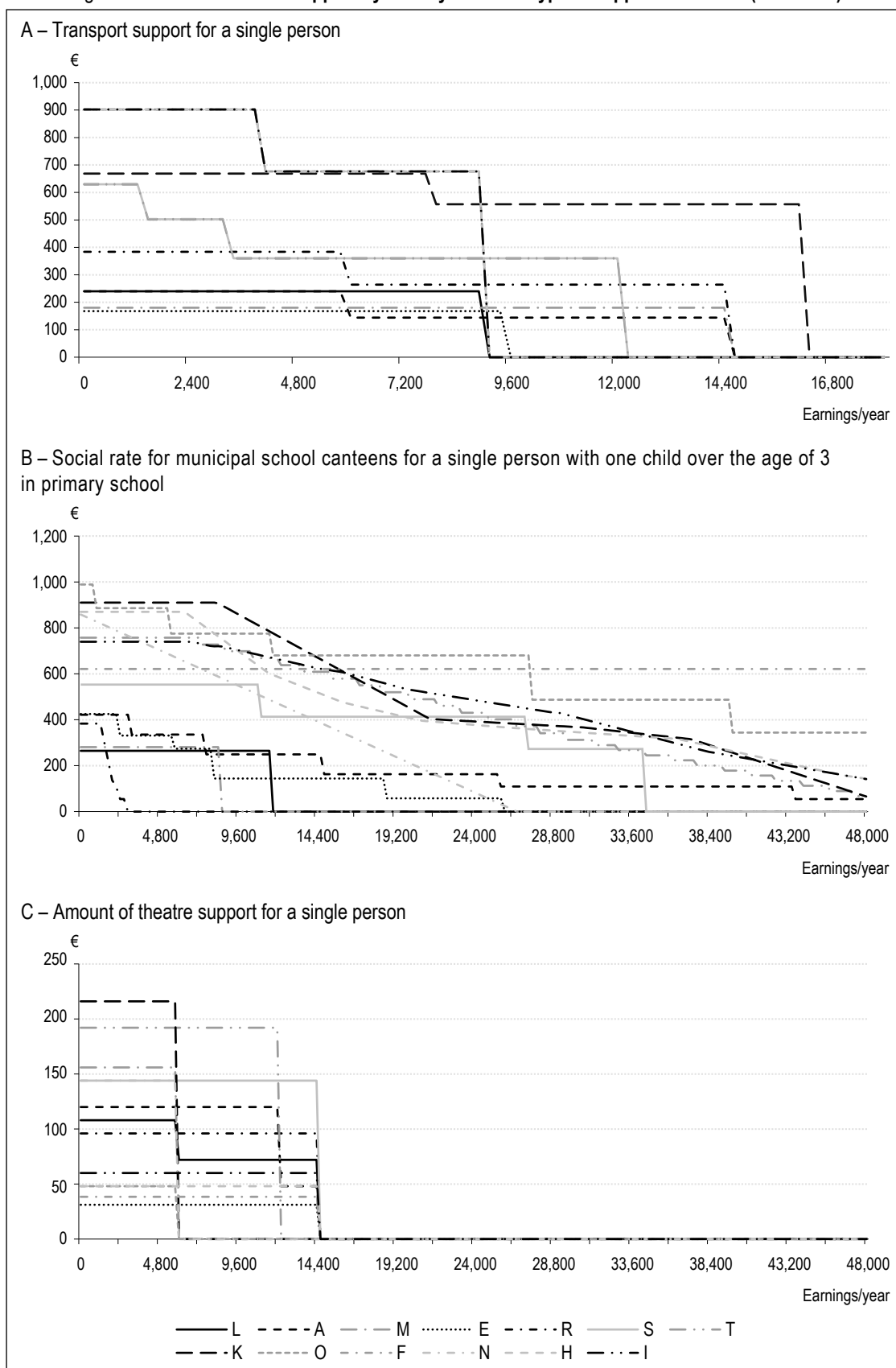
In the absence of any regularity, the very subject of related entitlements would be of little interest from a research perspective. In addition to the finding of great diversity, both parametric and non-parametric, in all aspects of support, one of the key findings of our 2002 and 2009 studies was the identification of a common feature of the related entitlement scales: the typical local social support was a fixed amount up to a given resource threshold, beyond which it was zero. Where the scale includes multiple thresholds, the support was a fixed amount between those thresholds. The scales of related entitlements therefore looked like a staircase – usually with only one step. This is not incompatible with the great diversity regarding the scales mentioned earlier, as the height and size of the step vary greatly depending on the social support measure and the locality. The diversity of the scales is only parametric in nature.

The advantage of this type of scale, the staircase type, is that it is easy to implement. In the most basic case, the support is a one-off amount and is granted to recipients on condition that they do not exceed a given resource threshold. Two variables, the amount of support and the resource threshold, are sufficient to fully define the scale. The disadvantage from the recipient's point of view is that the accumulation of different types of support can lead to penalties that are sometimes heavy in the event of an increase in household resources (Diagram 1). When means-testing is more diversified and degressive support coexists with flat-rate support, the profile is very different (Diagram 2).

To illustrate, we compare the total amount of related entitlements in 2007 and 2020 for each family configuration (Figure IV). In 2007 (IV-A), on average over the 13 localities in the sample, the profile corresponds to the type shown in diagram 1, with horizontal lines which drop vertically above a certain income threshold, corresponding more or less to that of the RMI or the basic RSA. This drop is synonymous with a threshold effect, which corresponds to

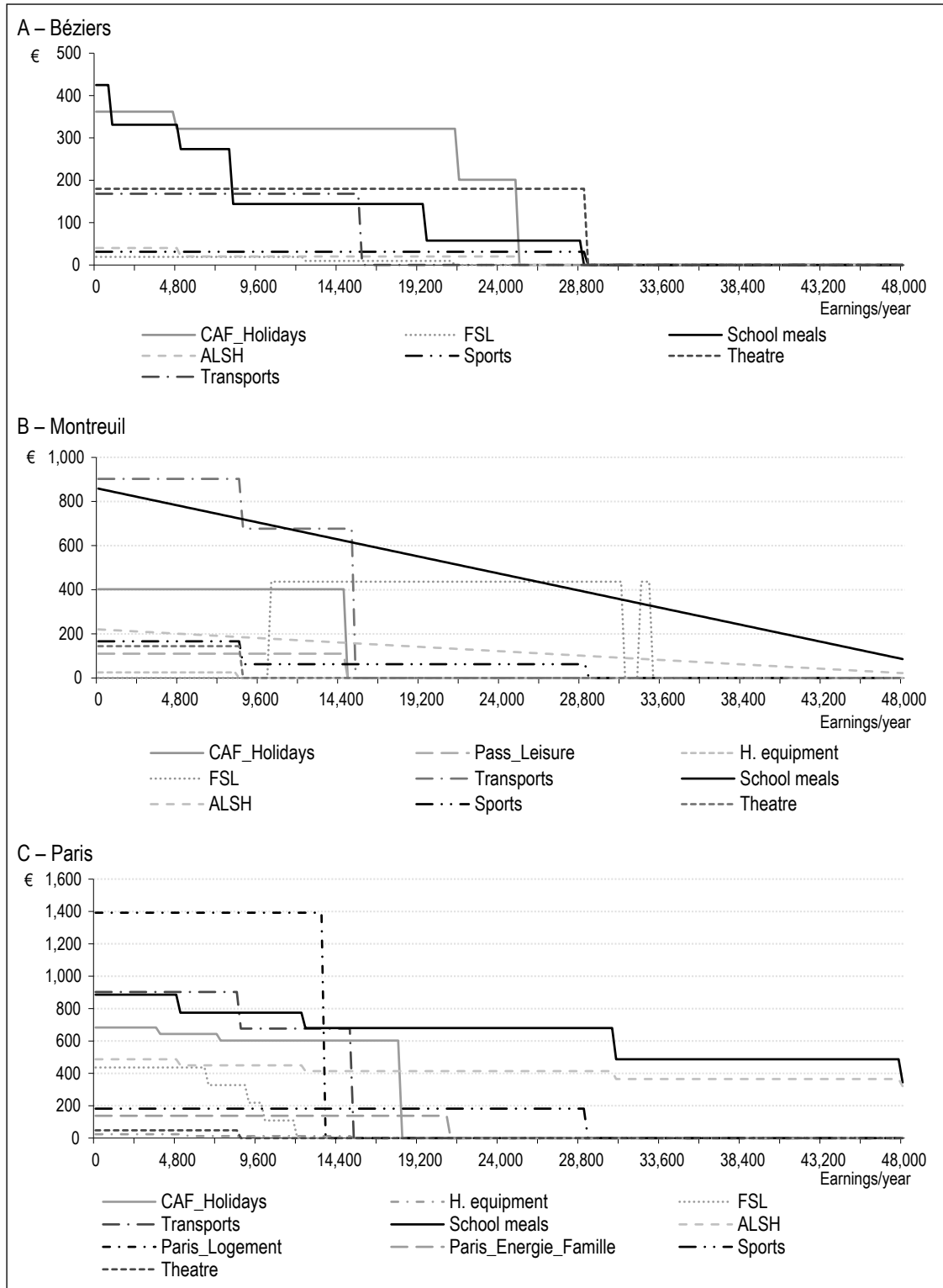
6. For legibility reasons, only the scales of the municipalities already surveyed in 2007 are shown. The 20 localities are presented in the Online Appendix. Link at the end of the article.

Figure II – Amount of local support by locality for some typical support measures (2020 data)



Notes: The profiles of the 20 localities are presented in the Online Appendix. Link at the end of the article.  
Sources: Equinoxe 2020, TEPP-CNRS.

Figure III – Amount of local support for a couple with two children (2020 data)



Notes: *Paris Logement* is a means-tested support scheme provided by the Paris city authorities. Specific support is offered to single-parent families and families with at least two children (as in the example chosen here).  
Sources: Equinoxe 2020, TEPP-CNRS.

a locally infinite value of the marginal tax and transfer rate. This increase in the marginal rate directly affects all household resources, since at this level the marginal rates implicit in each transfer add up.

This profile of local social transfers according to earned income is very different from that of national and statutory transfers. While the latter start to decrease sharply with gross income, local transfers are stable. This initial

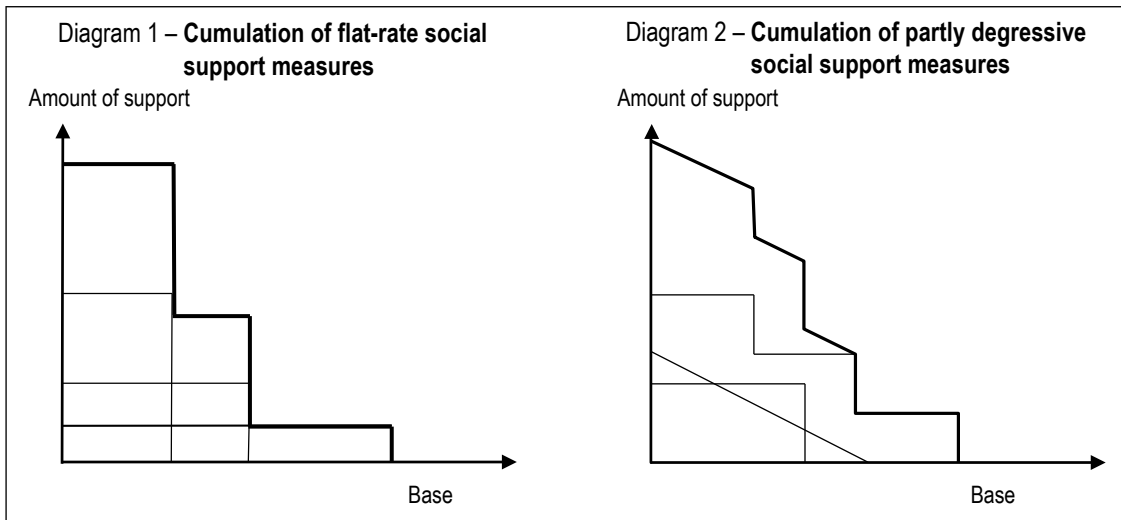
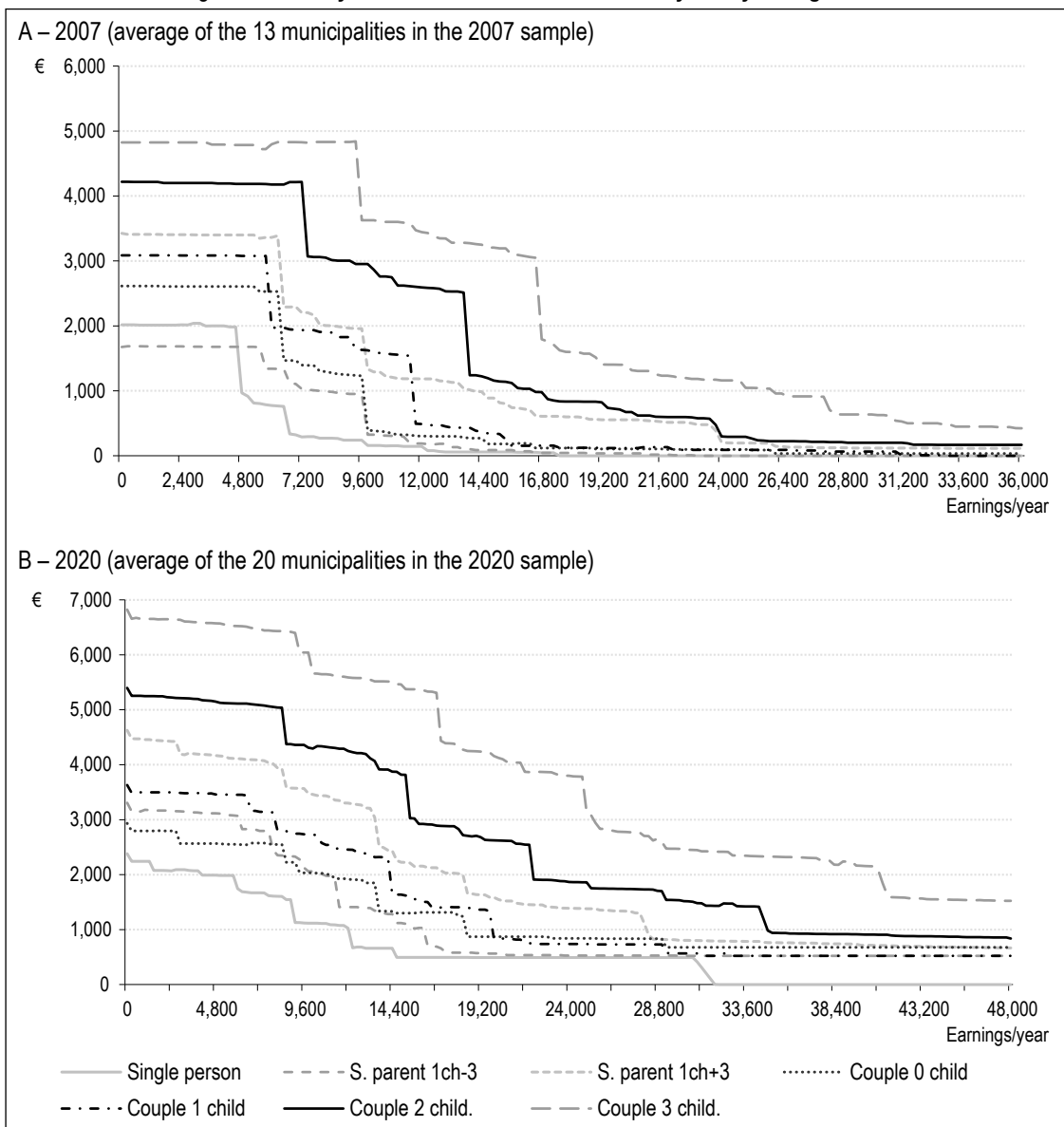


Figure IV – Yearly amount of related entitlements by family configuration



Sources: Equinoxe 2020, TEPP-CNRS.

stability is observed in all cities and for almost all benefits. Then, while national transfers decrease less sharply, local transfers in most cities undergo a rapid decrease with sometimes brutal threshold effects.

In 2020 (figure IV-B), we see a profile similar to that of Diagram 2: the amount of related entitlements (on average for the 20 cities in the sample) decreases less sharply with earned income; this change in the profile of support between 2007 and 2020 is not explained by the difference in sample size between the two studies. The decrease in support is much more regular with income, following a profile that rather evokes the linear decrease in the amount of RSA in accordance with earned income. This characteristic profile is obtained when the scales of certain basic support are degressive in relation to the gross resources of households. Box 2 provides an illustration in the case of social scales for school meals.

The amounts of support in the municipalities appear to be broadly of the same order of magnitude in 2020 as in 2007 if we take into account the revaluation of the RSA, which is 28.1% between 2007 (when the monthly RMI was €441) and 2020 (when the RSA is up to €564.79). The

major change seems to be in the nature of the scales and not in the generosity of the support.

The average profiles observed for all the cities in the samples can be observed, by and large, at the level of each individual locality. This is what we will now illustrate, for two family configurations in a selection of localities.<sup>7</sup> Whether it is a single person with one child (Figure V) or a couple with three children (Figure VI), it is visually apparent that the clear step corresponding to the pre-RSA situation has been largely eroded by 2020.

### 3.4. Local Social Support Now Contributes to Eliminating Poverty Traps: A Simulation

One of the objectives of the RSA was to ensure that “work pays” from the first hour worked. The change has the consequence of helping to eliminate poverty traps, which correspond to employment situations or earned income brackets in which an increased number of hours worked does not increase the net resources of households. Such situations are no longer observed and the amount of net resources always increases in accordance with the gross resources

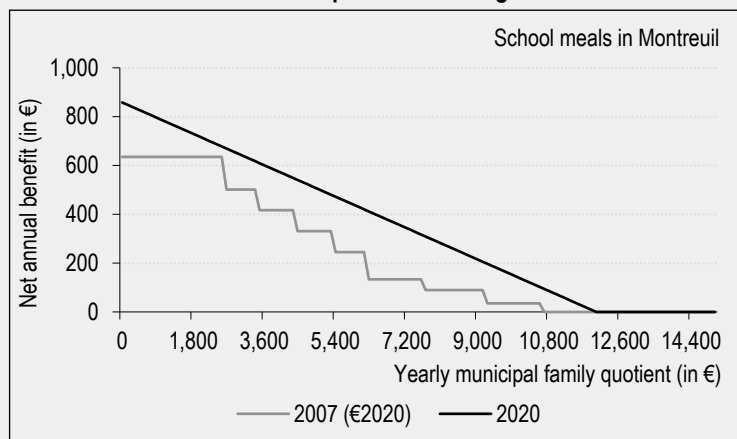
7. The profiles for the whole 20 localities are presented in the Online Appendix. See link at the end of the article.

#### Box 2 – Illustration of the Changes in Local Scales: The Example of School Meals

With the exception of some municipalities offering universally low rates to all households (or even free of charge, as in Drancy), school meals in primary schools is a service for which most municipalities offer rates that are defined in relation to parents' income. A minimum and maximum rate are defined based on resources and the rate paid increases in accordance with a number of variable bands between these two extremes. The scales of these municipal rates for extra-curricular services have frequently undergone non-parametric changes between 2000 and 2020. In several municipalities, this support has been reformed to adopt degressive profiles, decreasing steadily with each additional euro of resources, thus eliminating the threshold effects caused by the bracketed scales (cf. Diagram 1).

The graph below provides an illustration for the city of Montreuil by comparing the savings made in relation to the full rate in 2007 and in 2020, following a change in the school meals scale.

From a staircase-shape scale to a degressive scale



Reading Note: In 2007, a household with a family quotient of less than €2,568 benefited from a reduced rate corresponding to a saving of €635 in 2020 compared to the full rate.

Sources: Equinoxe.



## Box 2 – (contd.)

These reforms are quite costly: they replace a scale that is legible but has threshold effects with a much more regular scale that is more complicated to calculate, using the equation of an affine function. In a number of cases, the switch from one scale to the other was carried out by retaining the different income brackets and adding a specific degressive aspect to each bracket. The equation therefore varies within each of income bracket, making the calculation of the rate to be paid sometimes complex and therefore opaque for users. Two illustrations of such scales are provided in the table below:

**School meals rates in Fontenay-sous-Bois and Lyon**

Fontenay-sous-Bois		Lyon	
Income bracket	Daily rate (€)	Family quotient bracket	Daily rate (€)
1	0.56	QFM 1	0.80
2	0.56 to 2.42	QFM 2	0.80 to 4.42
3	2.42 to 3.30	QFM 3	4.42 to 4.68
4	3.30 to 3.85	QFM 4	4.68 to 5.05
5	3.85 to 4.07	QFM 5	5.05 to 6.83
6	4.07 to 4.40	QFM 6	6.83 to 7.30
7	4.40 to 5.49	QFM 7	7.30
8	5.49 to 6.60		

Notes: QFM for municipal family quotient.  
Sources: Municipal documents.

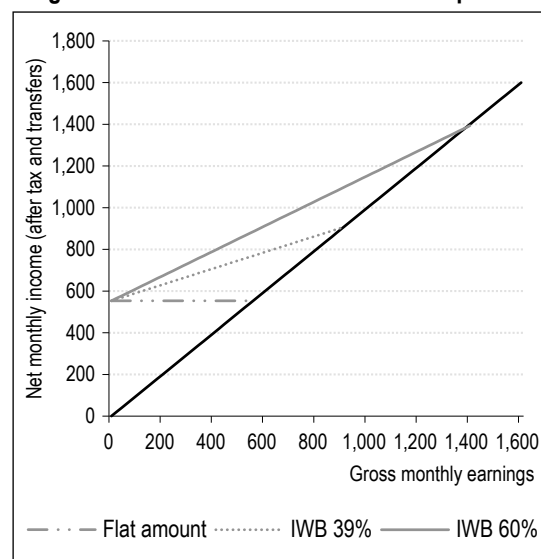
The collection of information provided several examples in which households were unable to know the precise rate that would be applied to them without first registering on a dedicated portal.

of households (see Appendix 2). This was one of the objectives of the RSA reform and we can see that there has been a real alignment of local scales with the profile of the national scale. As a result, this convergence has contributed to strengthening monetary incentives for work. The adjustments of local social support have been broadly in line with the national reforms of the RSA in 2008 and the in-work benefit in 2016.

The use of the concept of a marginal tax rate is another way of showing monetary incentives and poverty traps. This is the ratio of the change in the amount of support received by the recipient as a result of an increase in their earned income. In the case of the RMI, this rate was 100% after the incentive period (a €100 increase in wage would eventually reduce the amount of the RMI by €100). The simulations in our 2009 study highlighted that the rate chosen for the RSA by the government (38% marginal rate, rising to 39% in 2019) was below the value that would give rise to the emergence of local poverty trap situations.

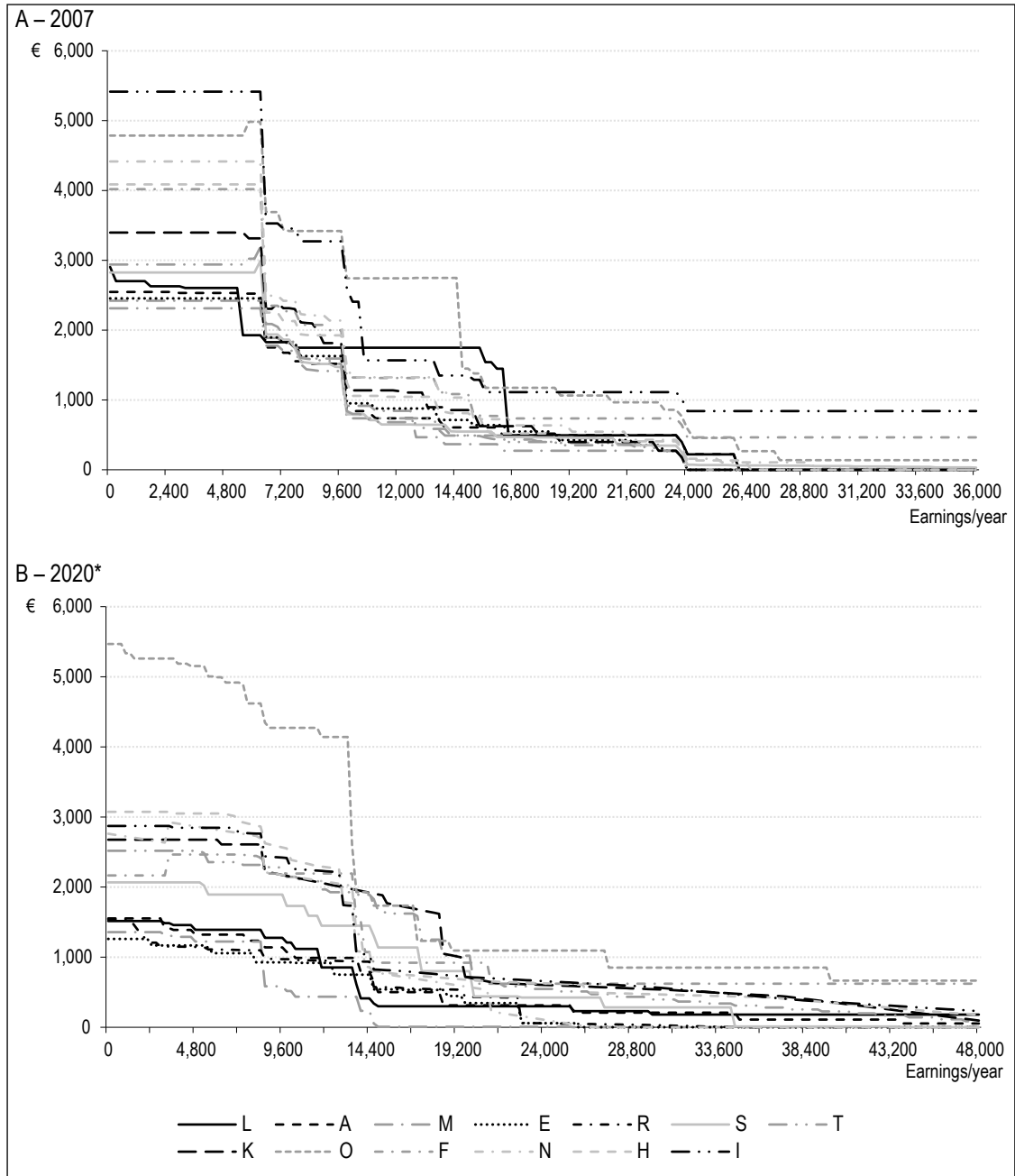
It is interesting to update these simulations using the 2020 scales for related entitlements. In view of the evolution of local scales, what marginal rate for the in-work benefit would lead to the re-creation of local poverty traps today? Firstly, it should be noted that in the case of a low income support mechanism at a constant marginal rate, as soon as the marginal tax rate is increased, the amount of support paid to

poor households is automatically reduced. The mechanism is illustrated in Diagram 3 for the in-work benefit, by comparing two marginal

**Diagram 3 – Theoretical link between marginal rate, gradient of the in-work benefit and exit point**


Reading Note: This diagram shows the amount of a household's net resources in accordance with its gross resources under different support configurations. In the case of a purely differential benefit, such as the RMI, the net resources form a horizontal line (the marginal tax rate is 100%). With an in-work benefit, net resources increase with earned income, especially since, on average over the twenty localities, the income of a couple with two children from transfers is greater than €20,000 per year when local and/or non-statutory transfers are taken into account. In order to receive an equivalent income while employed, a couple needs to accrue €15,550 in earned income, which corresponds to a weekly working time of 44.5 hours at the minimum wage over the year.  
Sources: Equinoxe 2020, TEPP-CNRS.

Figure V – Yearly amount of local social support for a single person with a child over the age of 3



\* The profiles for the 20 localities are presented in the Online Appendix. Sources: Equinoxe 2020, TEPP-CNRS.

tax rates, 39% and 60% (excluding individual bonuses). The increase in the marginal tax rate reduces the amount of support paid to households and narrows the eligibility window for the in-work benefit. This contradicts the very purpose of these support measures, which is to provide financial support to vulnerable groups. Based on John Rawls' (1971) *maximin* principle, the fairness of a situation must be assessed from the point of view of the benefit it provides to the least well off in society. From this point of view, the RSA and the in-work benefit are fairer than the RMI. In contrast, an increase in

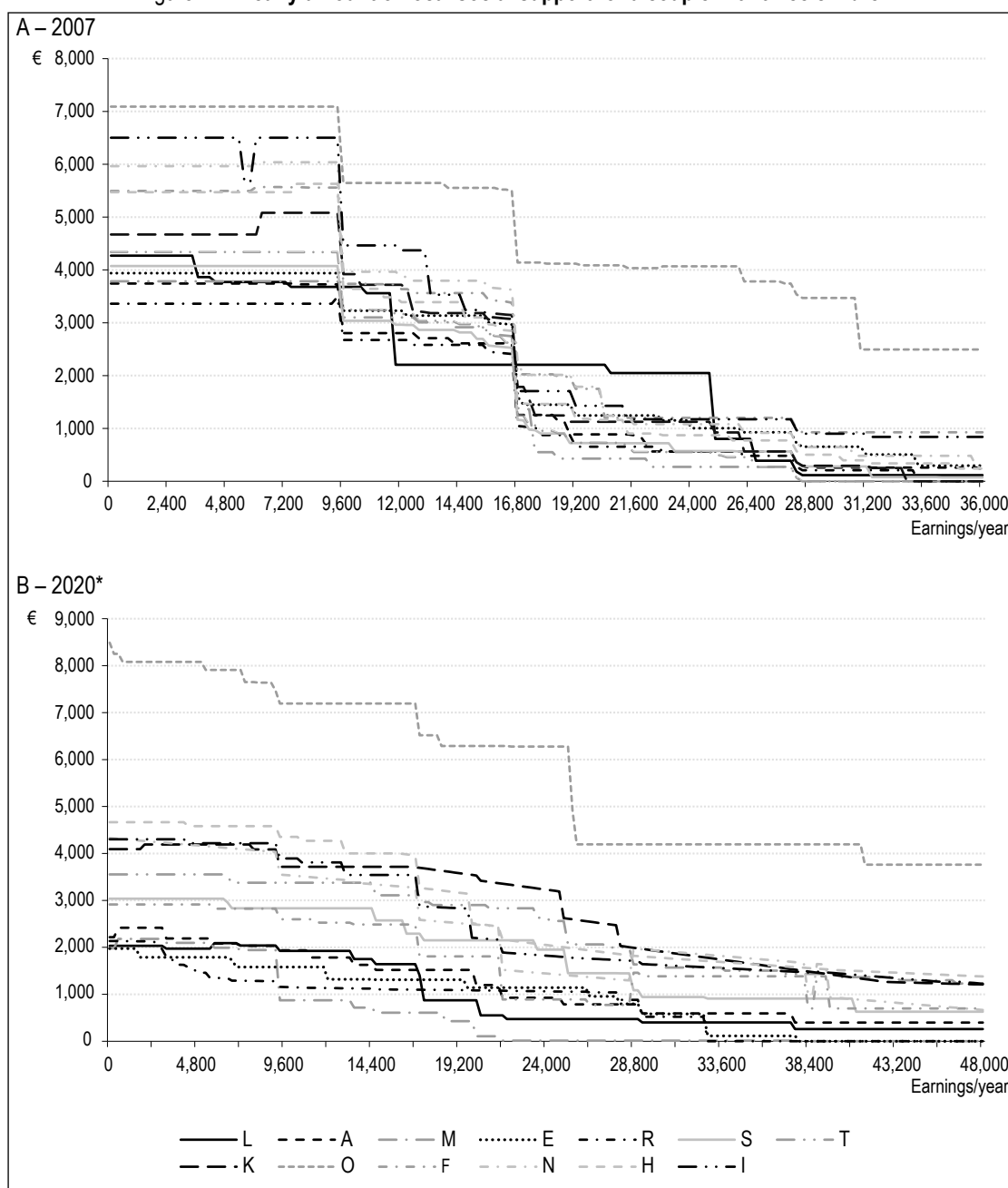
the marginal tax rate for the in-work benefit contradicts this principle.<sup>8</sup>

The purpose of our simulation is thus to show how the reforms of related entitlements have accompanied the “Rawlsian” nature of the RSA reform. We change the marginal tax rate of the in-work benefit (excluding the flat-rate bonus), initially set at 39%, to cover a wide range of

8. It should be noted that the increase from 38% to 39% decided upon in 2009 was concomitant with an increase in the individual bonus which complements the in-work benefit.



Figure VI – Yearly amount of local social support for a couple with three children



\* The profiles for the 20 localities are presented in the Online Appendix.  
Sources: Equinoxe 2020, TEPP-CNRS.

values, up to a rate of 100% which is equivalent to cancelling the in-work benefit.

The simulation on discretionary income shows that, compared to the situation without any professional activity, poverty traps are absent as long as the marginal tax rate does not exceed 55%; beyond that, depending on the city and the family configuration, areas of loss of disposable income appear. Table 4 shows, for the different family configurations, the maximum number of hours of work paid at the minimum wage they would need to work to earn more than they would receive without any work.

### 3.5. The Exception of Paris

Another interesting result, which appears in figures V-B and VI-B, is the exceptional nature of Paris (i.e. “O”). For each family configuration, Parisian households are potentially entitled to a much higher level of local social support, around twice as high as the average in other localities. The social support measures available to Parisians are not only offered by the Paris city authorities, but some are provided by the Regional authorities, in particular the public transport support. The gap already existed in 2007 but has widened since.

Table 4 – Reservation durations, in weekly working hours paid at the minimum wage, for different gradients of the in-work benefit marginal tax rate

	Marginal tax rate of the in-work benefit (%)									
	39	45	50	55	60	65	70	80	90	100
Single person	1	1	1	1	24	24	24	24	24	24
Single parent with a child <3	2	2	2	2	38	38	38	38	38	38
Single parent with a child 3+	2	2	2	2	33	33	33	33	33	33
Couple without children	1	1	1	1	37	38	38	38	38	38
Couple with 1 child	2	2	2	2	2	2	3	4	7	23
Couple with 2 children	1	1	1	2	2	2	2	3	22	26
Couple with 3 children	2	3	3	3	3	4	5	7	24	29

Notes: The non-zero value of 39% is mainly due to the exemption from the public-service broadcasting contribution for people with a tax reference income of zero.

Reading Note: With a marginal rate of 60%, in one of the municipalities in the sample, a single person would have to work 24 hours a week while being paid the minimum wage to receive as much as they would without earned income.

Sources: Equinoxe 2020, TEPP-CNRS.

The difference does not come from one support measure in particular. The difference is explained by the number of local social support measures available in Paris and by the amount of each support measure, in particular the Paris housing support and the transport support in the Île-de-France region. Another peculiarity specific to Paris concerns the housing tax. Even though an ongoing reform aims to extend the housing tax rebate to the entire population, Paris was already making full use of the autonomy afforded it by the State to grant particularly generous abatements, especially for dependants. By comparing the amounts paid in Paris with those that would correspond to the average tax rates and minimum legal abatements, we show (under the assumptions presented above) that a person living alone, without children, in a T1 type dwelling and with low resources “saved” €670 (excl. taxes), an amount that rose to €850 for a single person with one child and €1,150 for a couple with two children.

In the averages presented above (Figures I and IV), we have counted Paris twice – i.e. once for each of the two arrondissements considered (the 14<sup>th</sup> and the 19<sup>th</sup>). As the amounts of social support are simple unweighted arithmetic averages, they are therefore pulled upwards by Paris. This compositional effect masks a reality that can be seen when comparing the results for 2007 and 2020. With the exception of Paris, local social support in 2020 is at a lower level overall than in 2007. If Paris is excluded from the sample, the amount of local support has therefore decreased, in euro at current prices, in absolute terms. With a constant budget, this reduction in the level of social support for households without resources makes it possible to widen the window of eligibility for support.

Going back to the prospective part of our study published in 2009, this evolution corresponds to

a mixture of the so-called staggering scenario and the scenario involving a switch from conditions based on status to means testing, with the same budget.<sup>9</sup> In both cases, with a constant budget, the aim is to give less generous support to more recipients.

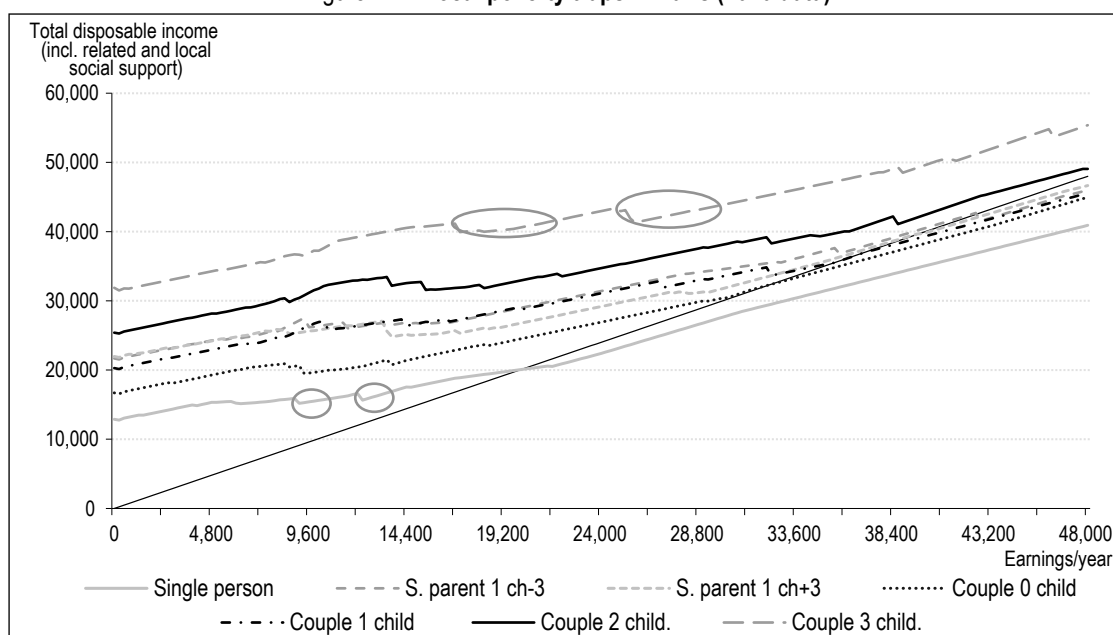
Households living in Paris are a specific case. On the one hand, social support is more generous overall. On the other hand, the configuration of the different local support scales seems to favour the existence of earned income areas, i.e. work situations, in which an additional effort seems to be penalised financially. The representations provided by Equinoxe allow the identification of multiple income areas where an additional hour of work results in a loss of income. Figure VII, which focuses on the Parisian scales, effectively shows multiple areas of earned income for which an increase in gross resources results in a decrease in net resources. In Paris, the recommendations of the Desmarescaux report thus seem to have been rendered ineffective.

A more detailed examination by family configuration indicates that this local trap phenomenon is fully explained by the local support scales. By superimposing the amounts of disposable income with and without local social support for different family configurations, it appears that poverty traps are due to the local social support scales (Figure VIII). These anomalies in the scales can be identified locally, to a greater or lesser extent, for almost all configurations of Parisian households.

The negative effect of the Parisian local scales can be quantified more precisely. It is common to speak of “inactivity traps” (or unemployment traps, poverty traps) when returning to work does not improve total income or is financially

9. Scenario 3 and scenario 4 of the 2009 study, respectively.

Figure VII – Local poverty traps in Paris (2020 data)



Notes: Four examples of poverty traps are shown on the graph; they are reported in Table 5.  
Sources: Equinoxe 2020, TEPP-CNRS.

costly. The introduction of the RSA in 2009 (and then of the in-work benefit in 2016) was explicitly aimed at combating the traps created by the RMI, the amount of which fell after a transition period by an amount equivalent to the wage supplement associated with a return to work (Anne & L'Horty, 2002). It can be seen that, even for Parisian households, there are no longer any situations where returning to work results in a loss of disposable income compared to a situation without any work (Figure VIII). The RSA and the in-work benefit play their part in this respect. In contrast, there are wage levels for which an increase in work reduces disposable income, due to the disappearance of sufficiently generous support to compensate for the wage supplement.

Table 5 shows, for the different family configurations in Paris, the level of earnings where such “local traps” appear, and their level at the end of the trap, i.e. when disposable income becomes at least equivalent to that before the trap and the translation, in terms of the number of hours of work paid at the minimum wage, of the additional work required to escape this trap.<sup>10</sup> Such local trap situations are also found in other municipalities in our sample, but they are never as large.

If we look at the scales of the various support measures, it is not surprising to see that these traps are the consequence of the disappearance of support measures that use a single scale or are not very degressive (Cf. Diagram 1). The end of transport support thus explains the trap

observed for a single person.<sup>11</sup> The numerous housing-related support measures offered in Paris (in addition to the support from the *Fonds de solidarité pour le logement* provided in all French departments,) explain the other traps. The cost of housing, which is particularly high in Paris, justifies this local focus. Depending on their resources and family situation, Parisians can benefit from several support measures:<sup>12</sup> housing support (*Paris Logement* with schemes aimed to families and to single parents, support for electricity or heating expenditure (*Paris énergie famille*), and for child-related expenses (*Paris forfait famille*).

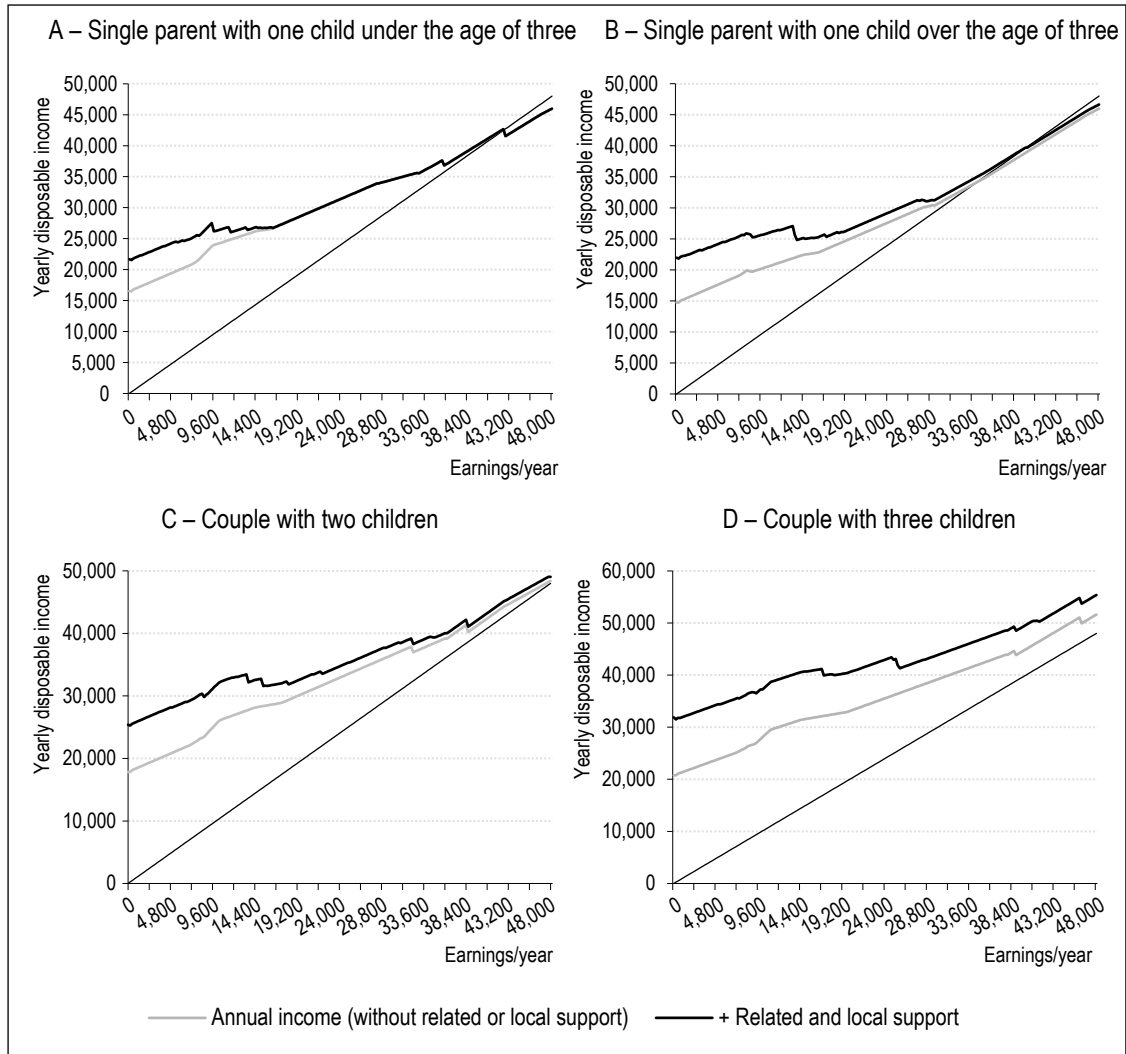
Moreover, as we have already indicated, Paris makes extensive use of its autonomy to reduce the amount of the housing tax for households with low resources and family responsibilities. Nevertheless, the effect of this local support is quite small in our calculations. Indeed, the amount of housing tax is proportionally low in Paris, including for households with earned income; the gain for households with low resources is therefore quite limited. Furthermore, and this is not specific to Paris, the extension

10. As a further reminder, these calculations relate to potential entitlements available to households, under the take-up and usage assumptions presented earlier in Section 2. The actual use of these support measures is not studied here.

11. The Île-de-France Region offers two social scales for transport (free or 75% reduction), combining conditions relating to status (RSA, ASS, CSS) and means testing. In order to avoid giving undue importance to this support, we assumed that only one member of the household was receiving it.

12. Due to the assumptions and case studies used in this study, various Parisian support measures to specific populations are not included (support for the disabled, support for home improvement, etc.).

Figure VIII – Details of the local Parisian poverty traps (2020 data)



Reading Note: In Paris, under the assumptions specified in Tables 1 and 2, a couple with 3 children and no earned income would be entitled to annual resources of €20,770 thanks to State support. In addition, a theoretical amount of €11,105 in related entitlements and local support, provides this typical household with total resources of €31,875.

Source and coverage: Equinoxe 2020, TEPP-CNRS. Support available according to family configuration and resources for a household residing in Paris (for at least 3 years for housing support measures).

Table 5 – Local poverty traps in Paris

	Yearly earnings in €		Equivalent in number of weekly hours at min. wage
	Start of the trap*	End of the trap**	
Single person 1 <sup>st</sup> trap	8,880	10,800	4.6
Single person 2 <sup>nd</sup> trap	12,000	13,440	3.4
Single parent with 1 child under 3	9,360	17,760	20.1
Single parent with 1 child over 3	13,200	20,640	17.8
Couple without children	8,400	12,720	10.3
Couple with 1 child	10,320	13,680	8.0
Couple with 2 children	13,440	21,120	18.4
Couple with 3 children 1 <sup>st</sup> trap	16,800	21,120	10.3
Couple with 3 children 2 <sup>nd</sup> trap	24,720	30,240	13.2

\* Yearly earning for which an increase in working time results in a decrease in disposable income.

\*\* Yearly earnings needed to regain a disposable income equivalent to that at the start of the poverty trap.

Notes: The 1<sup>st</sup> and 2<sup>nd</sup> traps are those shown on Figure VII.

Reading Note: In Paris, under the assumptions used, a single person household with a child under 3 years of age working for a yearly wage of €9,360 would see its disposable income fall if it were to increase its professional activity. It would regain an equivalent disposable income on condition that it obtained a wage of €17,760, which represents an increase in its working time of 20 hours a week paid at the minimum wage.

Sources: Equinoxe 2020, TEPP-CNRS.

of the housing tax rebate ongoing since 2018 constitutes a “national related entitlement” that benefits all households, regardless of their earned income; threshold effects are therefore absent and this support does not create traps.

The range of local social support available to Parisians (whether municipal or regional) is therefore consistent with the characteristics of the capital city, particularly in terms of housing and transport costs. In contrast, the absence of changes in the types of scales leads to the creation of local poverty traps that other municipalities have managed to eliminate through non-parametric changes. In our small sample of 20 localities, Paris is the only city with this configuration but, strictly speaking, we cannot rule out that there are other localities in France following the same pattern as Paris. Given the diversity and generosity of Parisian support measures, we nevertheless believe that this is a Paris-specific issue, while reiterating that it is not only the responsibility of the local authorities of the particular municipality-department that forms Paris, but also of regional support measures. In contrast, our research shows very few differences within the two arrondissements studied. For example, school meal rates have been unified in all Parisian arrondissements since 2010, the rates for the municipal swimming pools are identical in the two arrondissements studied and only the discounted theatre rates show local differences.

\* \*  
\*

The study of local social support scales reveals a transformation of the general profile of support between the first inventories drawn up in 2001 and 2007 and this new assessment in 2020. This transformation of the general form of local social support scales is clearly in line with the erosion of the threshold effects associated with previous scales. In this sense, the peaks in marginal tax and transfer rates generated by the local social support scales, themselves often staircase-shaped, have been progressively capped. The scales of local social support schemes have evolved towards becoming more degressive, as with the switch from the RMI to the RSA. It is as if the local scales had imitated the national minimum income scale. The staircase-shaped scales were in line with the RMI, which was purely differential in the long term, beyond the incentive mechanism. From now on, more degressive scales will be implemented, similar to that of the RSA.

National minimum income schemes thus seem to play a guiding role in local social support scales. In the same way as the RMI had at the time, the RSA has influenced the way in which optional local social support is allocated. Means testing is commonly based on the RSA thresholds, where the RSA is not a status condition for obtaining support. Support is subject to adjustment by local decision-makers following national reforms of the RSA or the in-work benefits. The study shows that the guiding role of national reforms also affects the form of local social support scales.

Since the implementation of the RSA, local support has become less generous overall for the poorest households and the means test to determine eligibility has been extended. The amount of local support has indeed decreased in absolute terms, in euro at current prices. With a constant budget, the reduction in the level of support for households without resources makes it possible to widen the window of eligibility. This overall transformation is in line with the recommendations of the report of the parliamentary mission on related entitlements (Desmarescaux, 2009) and is consistent with the decisions taken at that time by all support providers. Without being able to establish causality, we note the consistency of the overall movement with the commitments of the institutions involved in the design of local social support schemes.

This study, based on a sample of 20 localities in mainland France, cannot claim to be a representative sample even though it includes a total of 4.6 million inhabitants. Our approach is to look for characteristics common to all these localities, which were selected for their diversity in terms of size and location. At this stage, we note that Paris is an exception: on the one hand, social support is generally more generous there; on the other hand, local support scales favour the existence of earned income areas, i.e. work situations, in which additional effort is financially penalised.

In conclusion, we can mention the negative aspects of this convergence of the scales. The change has come at the cost of increasing engineering and greater complexity of the conditions for support distribution. In addition, more degressive scales may be less directly legible to recipients and the amount of support received varies more frequently with earned income. Furthermore, additional information needs to be collected to determine the amounts of support, which undoubtedly increases the costs of managing the support. □

## Link to Online Appendix:

[https://www.insee.fr/en/statistiques/fichier/6328081/ES530-31\\_Annex-LHorty\\_Annexe-en-ligne\\_Online-appendix.pdf](https://www.insee.fr/en/statistiques/fichier/6328081/ES530-31_Annex-LHorty_Annexe-en-ligne_Online-appendix.pdf)

---

## BIBLIOGRAPHY

**Anne, D. & L'Horty, Y. (2002).** Transferts sociaux locaux et retour à l'emploi. *Économie et Statistique*, 357-358, 49–78. <https://doi.org/10.3406/estat.2002.7664>

**Anne, D. & L'Horty, Y. (2009).** Aides sociales locales, revenu de Solidarité active (RSA) et gains du retour à l'emploi. *Économie et Statistique*, 429-430, 129–157.

<https://doi.org/10.3406/estat.2009.8066>

**Anne, D. & L'Horty, Y. (2012).** The RSA and back-to-work incentives in France. *International Social Security Review*, 65(3), 77–100. <https://doi.org/10.1111/j.1468-246X.2012.01437.x>

**Bargain, O., Carcillo, S., Lehmann, E. & L'Horty, Y. (2017).** Mieux lutter contre la pauvreté par des aides monétaires. *Notes du Conseil d'Analyse Économique*, 41(5), 1. <https://doi.org/10.3917/ncae.041.0001>

**Bargain, O. & Terraz, I. (2003).** Évaluation et mise en perspective des effets incitatifs et redistributifs de la Prime pour l'emploi. *Économie & prévision*, 160-161, 121–147. <https://doi.org/10.3406/ecop.2003.6924>

**Bargain, O. & Vicard, A. (2014).** Le RMI et son successeur le RSA découragent-ils certains jeunes de travailler ? Une analyse sur les jeunes autour de 25 ans. *Économie et Statistique*, 467-468, 61–69.

<https://doi.org/10.3406/estat.2014.10247>

**Bourguignon, F. (1998).** *Fiscalité et redistribution*. Conseil d'Analyse Économique, Rapport N° 11. Paris: La documentation française. <https://www.cae-eco.fr/Fiscalite-et-redistribution>

**Cahuc, P. & Prost, C. (2015).** Améliorer l'assurance chômage pour limiter l'instabilité de l'emploi. *Notes du Conseil d'analyse économique*, 24, 1–12. <https://doi.org/10.3917/ncae.024.0001>

**Chanchole, M. & Lalanne, G. (2012).** Photographie du système socio-fiscal et de sa progressivité. *Économie & prévision*, 200-201(2), 19–40. <https://doi.org/10.3917/ecop.200.0019>

**Chareyron, S. (2018).** Pauvreté et non-recours aux dispositifs sociaux : l'étude du RSA « socle seul ». *Économie & prévision*, 1(1), 41–59. <https://doi.org/10.3917/ecop.213.0041>

**CSERC (1997).** *Minima sociaux, entre protection et insertion*. La documentation Française.

<http://www.cerc.gouv.fr/rapports/cserc/cserc4.pdf>

**Desmarescaux, S. (2009).** Mission parlementaire sur les droits connexes locaux dans le cadre de la généralisation du RSA. <https://www.vie-publique.fr/sites/default/files/rapport/pdf/094000221.pdf>

**Gurgand, M. & Margolis, D. (2008).** Does Work Pay in France? Monetary Incentives, Hours Constraints and the Guaranteed Minimum Income. *Journal of Public Economics*, 92(7), 1669–1697.

<https://doi.org/10.1016/j.jpubeco.2007.10.008>

**Hagneré, C. & Trannoy, A. (2001).** L'impact conjugué de trois ans de réformes sur les trappes à inactivité. *Économie et Statistique*, 346-347, 161–179. <https://doi.org/10.3406/estat.2001.7434>

**Laroque, G. & Salanié, B. (1999).** Prélèvements et transferts sociaux : une analyse descriptive des incitations financières au travail. *Économie et Statistique*, 328, 3–19. <https://doi.org/10.3406/estat.1999.6341>

**Legendre, F., Lorgnet, J.-P. & Thibault, F. (2003).** La distribution des incitations financières au travail en France : l'évaluation du modèle Myriade. *Économie & prévision*, 160-161, 23–48.

<https://doi.org/10.3406/ecop.2003.6920>

**Lehmann, E. (2016).** À la recherche des incitations perdues : pour une fusion de la prime d'activité, de la CSG, des cotisations sociales et de l'impôt sur le revenu. *Revue française d'économie*, XXXI, 153–185.

<https://doi.org/10.3917/rfe.161.0153>

**Rawls, J. (1971).** *A Theory of Justice*. Oxford: O.U.P.

**Sicsic, M. (2018).** Financial Incentives to Work in France between 1998 and 2014. *Economie et Statistique / Economics and Statistics*, 503-504, 13–35. <https://doi.org/10.24187/ecostat.2018.503d.1955>

**Simonnet, V. & Danzin, E. (2014).** L'effet du RSA sur le taux de retour à l'emploi des allocataires. Une analyse en double différence selon le nombre et l'âge des enfants. *Économie et Statistique*, 467-468, 91–116.

<https://doi.org/10.3406/estat.2014.10248>

---

## APPENDIX 1

Table A1-1 – The 20 localities in the study

City	Code	Number inhabitants*	Département	Region	Poverty rate (%)**	Collection year(s) in previous studies
Arles	A	53,000	Bouches-du-Rhône	Provence-Alpes-Côte d'Azur	20.8	2007
Arras	B	41,000	Pas-de-Calais	Hauts-de-France	14.1	2001
Amiens	C	133,000	Somme	Hauts-de-France	16.1	2001
Belley	D	9,000	Ain	Hauts-de-France	10.8	2001
Béziers	E	76,000	Hérault	Occitanie	23.5	2007
Drancy	F	70,000	Seine-Saint-Denis	Île-de-France	17.2	2007
Evry	G	55,000	Essonne	Île-de-France	15.3	2007
Fontenay-sous-Bois	H	54,000	Val-de-Marne	Île-de-France	17.4	2007
Ivry-sur-Seine	I	62,000	Val-de-Marne	Île-de-France	17.4	2007
Le Mans	J	143,000	Sarthe	Pays de la Loire	13.6	2001
Lyon	K	516,000	Rhône	Auvergne-Rhône-Alpes	13.6	2001&2007
Marseille	L	863,000	Bouches-du-Rhône	Provence-Alpes-Côte d'Azur	21.9	2001&2007
Martigues	M	49,000	Bouches-du-Rhône	Provence-Alpes-Côte d'Azur	14.5	2007
Montreuil	N	107,000	Seine-Saint-Denis	Île-de-France	22.2	2001
Paris (14 <sup>th</sup> , 19 <sup>th</sup> )	O&P	2,150,000	Paris	Île-de-France	17.4	2001&2007
Pecquencourt	Q	6,000	Nord	Hauts-de-France	19.4	2001
Sète	R	44,000	Hérault	Occitanie	19.5	2007
Tourcoing	S	97,000	Nord	Hauts-de-France	23.6	2007
Villeneuve-d'Ascq	T	62,000	Nord	Hauts-de-France	14.9	2007

\*In the 2015 census.

\*\*In 2018, at the level of the INSEE employment area. The national rate is 14.8%.

Table A1-2 – Calculation of gross rental value

Municipality	ARV in 2019 (euros)	Value in euros of 6 months' estimated rent for a T3 dwelling
Paris	6,555	6,546
Marseille	3,163	3,802
Arras	2,773	2,535
Lyon	3,521 (EPCI=3,764)	3,802

SOCIAL TRANSFERS SCALES

Figure A2-I – National and legal social transfers by earnings level

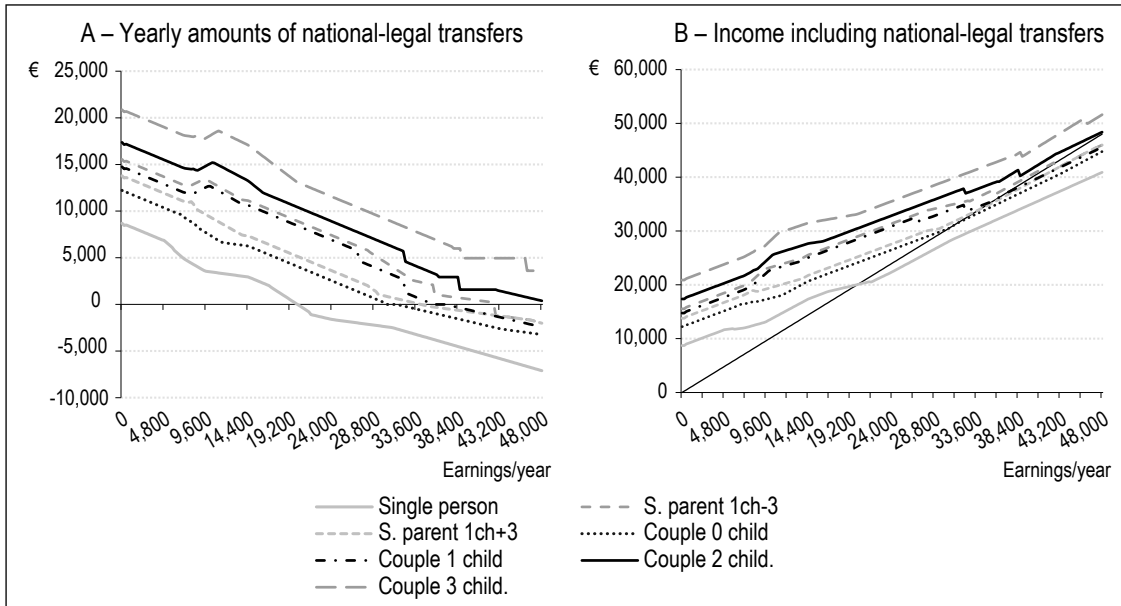


Figure A2-II – All social transfers by earnings level

