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Urban Segregation and Social Integration

EDITORIAL

Report by Jean-Paul Fitoussi, Éloi Laurent et Joël Maurice

Everything – reasoning, behaviour, field studies and so on – explains the vicious circles by way of which the exclusion of certain population groups in (though not exclusively) the spatial dimension perpetuates itself until people find themselves in traps from which it is impossible to escape. Instead of correcting inequalities, localisation tends to feed them....

The diagnostic is the same whatever the starting point: school and training, housing, access to collective facilities.

Unemployment too plays a far from negligible role in spatial inequalities.

According to the authors of the report, three pillars should be emphasised:

- strengthen the social connection by reducing the physical and social distance between different population groups in urban conglomerations;
- encourage a high level of solidarity, in particular by encouraging 'intercommunal federalism';
- set up a national agency for the fight against discrimination which should also address discrimination on the basis of urban origin.

While recognising fully the contribution of other disciplines, this report by the French Council of Economic Analysis (*Conseil d'Analyse Economique*, or CAE) seeks to analyse the phenomenon of urban segregation as an obstacle to social integration from an unusual standpoint, namely that of the economy. Authors Jean-Paul Fitoussi, Eloi Laurent and Joël Maurice identify a series of stylised facts and offer an interpretation of the underlying dynamic mechanisms that drive the process of urban divergence. They make a number of public policy recommendations aimed at countering this drift. These recommendations are based on three main pillars: strengthening social connection, reinforcing urban cohesion and fighting discrimination.

This report was discussed at the plenary session of the Council on 27 February 2003, and subsequently on 3 July in the presence of the Prime Minister. Béatrice Majnoni d'Intignano and Jacques Freyssinet provide comments on the report.

Serious concerns in view of the dynamics of urban divergence

According to the authors, urban segregation brings with it urban dislocation in that it breaks down equality in social spaces, most importantly the workplace, but also schools, housing and collective facilities. The visible symptoms of this phenomenon are the suffering and stigmatisation of the populations of underprivileged neighbourhoods and

numerous tensions between people and social groups.

Urban segregation has been the subject of significant contributions from all human sciences, and also raises questions for economists in that it impacts the functioning of society, individual and collective well-being, social cohesion and justice, thereby reducing the efficiency of the economic system as a whole. This loss results in inactive productive forces wasting away through hysteresis as well as the diversion of a substantial portion of productive forces (police, law, priority education/training, private protection, etc.) to deal with the social dysfunction.

This is a complex issue as it is *dynamic* in essence. It raises questions regarding both the dysfunction of integrating processes which prevent movement of the margins towards the centre by blocking access, and the cumulative power of excluding processes which drive certain members of society or groups towards the periphery.

'Spatial hysteresis' – a multiplier of unemployment

The report offers an analytical approach comprising three strands:

- firstly, based on an analysis of stylised facts, it demonstrates that social imbalances are firmly embedded in the space of our cities. This has found a particularly clear expression in the establishment of the ZUS (*zones urbaines sensibles* – sensitive urban areas);

- the report goes on to stress that this socio-spatial polarisation bears witness to a long period of persistent unemployment. In attesting to the disappearance of a collective guarantee of activity, it freezes positions, locking the populations of underprivileged areas into a situation where the lack of prospects for mobility acts as a barrier to social evolution. *Mass unemployment* is like a black hole growing at the heart of our social system, engulfing and feeding on the process of integration. Moreover, it generates a *dynamic of urban divergence*: urban segregation is the spatial inscription of a social disequilibrium.

This is a key point. Economists have formulated an explanation for unemployment based on the effects of *hysteresis*, according to which a phenomenon may persist even when its causes have disappeared. The report offers a new interpretation. In the labour market, temporary unemployment thus becomes persistent unemployment under the dual impact of the presumed erosion of the skills of the unemployed and of companies' recruitment policies which take account of the unemployment history of candidates. This discrimination may explain why prospective employees are unemployed today simply because they were unemployed yesterday. There is no doubt that this phenomenon has a considerable impact on underprivileged urban areas. But in this instance the authors put forward an additional hypothesis: urban segregation has a *multiplier* effect on the hysteresis observed in the labour market. The key drivers of this segregation are the establishment of a *physical and social distance from employment*, the development of pronounced discrimination in the labour market and the proliferation of underground economies. This *spatial hysteresis* means that the spatial representation of social disequilibrium (unemployment) can make the loss of employment *virtually irreversible*. Therefore, the decisive process is no longer just the assumed loss of skill of the unemployed, but the loss of their abilities, mobility and information (to which youth unemployment seems particularly sensitive) and their search for integration by default via the underground economy.

Finally, the third and last strand of the analysis suggests that this dynamic of divergence grows steadily in time and space within a genuine *system of urban segregation*. Hence the authors identify the perpetuation of social inequalities in sensitive urban areas characterised by long-term mass unemployment, their continuation over time due to difficulties in *education and training systems* and their geographical extension caused by problems of access to *housing and collective facilities*.

Over-exposure of immigrants or presumed immigrants

It is not until this point that the authors consider the 'immigration factor' in the phenomenon of urban segregation. It is a fact that immigrants or supposed immigrants are over-represented in the ZUS, as they are proportionately more numerous in the most underprivileged social groups in the labour market (underskilled workers and employees) that inhabit these areas. There is a view, however, that their situation results from their true or supposed origins rather than their social position. The resulting discrimination to which these populations are subjected by virtue of their skills accentuates still further the effect of hysteresis, and this may drive them to seek an alternative to integration in illicit activities or their communities.

The cultural differences between members of society, whether French or foreign, immigrants or supposed immigrants, constitute a richness and often an asset when they are derived from the private sphere. But in the absence of areas for social integration of minorities, primarily the labour market, these differences can become a handicap and create more differences. For these reasons, these characteristics should be confined solely to the private sphere and not be open to public debate?

Put social progress back at the heart of the urban space

Due to the cumulative force of excluding processes and the dysfunction of integrating processes, the city is often seen as a place of insecurity or inequality. *If the issue is truly urban reunification, we must counter urban divergence in order to re-establish the city as a place of social progress.*

The principle of greater equality

In order to put an end to urban isolation, revive social circulation and break out of the vicious circle which fosters exclusion and discrimination, the report advocates the *principle of public action* to restore social integration in underprivileged areas. The authors reject firmly the term "positive discrimination", the use of which is in itself discriminatory, and follow Amartya Sen in proposing a simple definition: *where the initial conditions of access to society have deteriorated too far, greater equality must take over from strict legal neutrality.*

This principle, which underlies all the recommendations of this report, must first be adopted in the field of *mobility*. Indeed, although social fragmentation of the urban space is a permanent facet of our societies, it becomes segregation only where it is an obstacle to mobility. Mobility should therefore

be promoted in all fields in order to restore economic and social progress. Common sense is often right when it dictates that we must try to overcome adverse situations. It is by overcoming adversity that you find your place, and this includes mobility.

Public policy recommendations

In view of the complexity of the problems highlighted by the authors, their recommendations are not intended to be final answers, but rather avenues to be explored by the public authorities, which centre on three key ideas: implement plans for social connection, develop strategies for urban cohesion and fight discrimination.

Strengthen social connection

The main point of entry into society is employment. Hence the importance of an economic policy aimed at growth and the re-establishment of full employment at the local, national and European level. But it is also necessary to reduce the physical and social distances to the labour market.

To reduce physical distance, the priority is to facilitate access to areas of employment in order to restore the connection with the largest possible labour market. This is the goal of policies to open up areas, particularly those comprising the major city development projects (grands projets de ville, GPV). It is also the goal behind improving public transport services. But these efforts need to be applied more flexibly, for example by organising taxis in the ZUS, and taking measures to make people more 'automobile'.

Local employment also needs to be encouraged. This involves developing local shops and services (EPARECA⁽¹⁾ has been very helpful in this regard), as well as supporting local initiatives, including micro-loans offered by organisations like ADIE⁽²⁾, and the contribution of specific guarantees and deposits. Lastly, duty free urban areas can be set up as a last resort to attract employment to those ZUS which are furthest from areas of employment.

To reduce social distance, the priority must be ensuring access to education and training. Even though assessments show that the priority education zones (ZEPs) have at best curbed, rather than reversed the deteriorating trend, the authors stress that it would be catastrophic to abolish them, and that more

(1) Public organisation for the planning and restructuring of shopping and craft centres.

(2) Association for the right to economic initiative.

focused and tailored resources should be applied to these zones. In addition, a university policy for priority education should be developed, along the lines of the education agreements introduced by Sciences-Po. The problem of young people leaving school without qualifications is a major one, and this group still has a very high rate of unemployment. A plan to improve access for such people to sandwich training should be implemented, based on the method used in the 'second-chance schools'.

Strengthen urban cohesion

Housing is a major issue in social integration. However, the functioning of the urban market automatically generates social stratification which, in an economy below full employment, degenerates into segregation. Social housing plays a role which is both essential and problematic: it is trapped between its two aims of, on the one hand, ensuring the right to decent housing, and on the other, the right to the city, namely to social mix. It is undoubtedly necessary to clarify these roles as well as the rules governing allocation of social housing and housing assistance which, as they are, concentrate low-income populations in the oldest social housing and the most sensitive areas. There are also long waiting lists for social housing (around 600,000 households) which justify increased construction of rented social housing. To date attempts to revive this sector have had little effect. Several reports have been produced on these issues and seem to indicate the right way to go.

It would be highly desirable to rebuild those areas with the worst living environments. The destruction of tower and long middle-rise blocks would certainly help in this respect, but raises the difficult issue of the time required to consult with and re-house the populations affected, ahead of such action. The reconstruction in these areas of housing open to a range of social groups in order to encourage social mixing clearly requires some form of housing subsidy.

Attempts to recreate social mobility may entail taking housing decisions that would currently be very difficult. The principle of greater equality should, in particular, apply to young people's passage to adulthood and their access to housing, enabling them to set up home as a couple, have children etc. However, young couples from the ZUS with the same potential and qualifications as those living in more affluent areas, have no access to housing as their circumstances do not enable them to provide the required deposit. In addition to building suitable housing then, would it not also be helpful to set up a public guarantee service that would allow those affected to overcome this handicap?

Statistical account of the sensitive urban areas (ZUS)

Definition of the ZUS

Priority areas were defined under the Law of 14 November 1996 in respect of the implementation of the Agreement on urban revival: 'Sensitive urban areas (ZUS) are characterised by large rundown areas or neighbourhoods and by a marked disequilibrium in habitat and employment'. The list of 750 ZUS (716 in mainland France, including 9 in districts of Paris, and 34 in overseas departments) is set out in two decrees.

Statistical characteristics of the ZUS from the 1990 and 1999 censuses

According to the 1990 census, the number of residents of mainland France living in the ZUS was 4.7 million, or one in 12 inhabitants (source: INSEE). A large proportion of the inhabitants of the ZUS lived in the Paris conglomeration (27%), mainly in the suburbs, or in other major conglomerations (18%), largely in city centres. Compared to the conglomeration of which they form a part, the ZUS had a higher proportion of:

- unemployed (18.9%, versus 11.6 %);
- people for whom social security constitutes at least one quarter of their income (26%, versus 14%);
- people living on social housing estates (62%, versus 22%);
- workers or employees (50.6%, versus 33.2%);
- households headed by a foreigner (15.8%, compared to 8.1%);
- young people of under 25 (43%, versus 34.7%);
- young people of 15-24 not studying (47.2%, versus 39.1%);
- young people of over 15 who have completed their studies and have no qualifications (39.3%, versus 26.8%);

The 1999 census shows⁽¹⁾ the following changes compared to the 1990 census:

- the total population of the ZUS has fallen by 5.7% from 4.7 million to 4.5 million, while the conglomerations⁽²⁾ of which they form a part have grown by 2.6% ;
- the proportion of foreigners in the ZUS has fallen by 2.1 percentage points from 18.6% to 16.5%, and in the conglomerations by 1.1 percentage points from 9% to 7.9%;
- the age pyramid is still far younger in the ZUS than in the rest of France, though this trend is diminishing due to the departure of young households with children;
- the average size of households in the ZUS has decreased from 2.8 persons to 2.6, but is still higher than in the conglomerations of which they form a part, where household size is down from 2.5 to 2.3;
- the activity rate of 15-24 year olds in the ZUS has fallen by 10.9 percentage points from 43.7% to 32.8%, reflecting the general trend towards longer studies, though it remains far higher than in their conglomerations (where it has fallen from 36.8% to 27.7%, a drop of 9.1 percentage points);
- thanks to the decline in the population and in the activity rate of young people, the active population has fallen significantly in the ZUS (by 8.6%) but increased in their conglomerations (up 2.6%);
- the percentage of unemployed in the population has increased more sharply in the ZUS (from 18.9% to 25.4 %, a rise of 6.5 percentage points) than in their conglomerations⁽³⁾ (from 11.5% to 14.3 %, a rise of 2.8 points);
- this phenomenon is more pronounced among the young active population (15-24 years) among whom the unemployment rate was 39.5% in the ZUS (up 11 percentage points from 28.5%) and 27% in their conglomerations (up 6.3 points from 20.7%);
- women are more affected by unemployment than men, but the gap is narrowing in both the ZUS (3.7 percentage points, versus 7.8) and their conglomerations (2.6 points, versus 5.2);
- the unemployment rate among foreigners has risen by 7.1 percentage points from 28.2% to 35.3% in the ZUS, and by 6 percentage points from 19.8% to 25.8% in their conglomerations;
- the percentage of workers in the population has fallen by 3.5 points from 41% to 37.5% in the ZUS, and by 4 percentage points from 26.9% to 22.9% in their conglomerations;

The 1999 census also reveals other characteristics:

- the percentage of foreigners in the population (which averages 5.6% nationally) is much higher in the ZUS (16.5%);
- the percentage of 15 year olds and above without qualifications is 17.7% nationally and 33.1% in the ZUS;
- the percentage of workers on short-term contracts, temporary staff and trainees (12.1% at the national level) is 20 % in the ZUS.

(1) Source: Lipatz J-L. (2002): 'The ZUS in Their Environment', *Contribution to the CAE and INSEE working group*.

(2) More specifically "urban space" (INSEE).

(3) For mainland France as a whole, the percentage of unemployed in the active population (as defined in the census) rose from 10.8 % in 1990 to 12.8 % in 1999.

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Urban Segregation and Social Integration

The major issue of urban cohesion may be looked at in a different light thanks to decentralisation. Almost by definition, urban cohesion concerns the conglomeration, when in fact the conglomeration is made up of communes that are often very different in terms of social categories. Huge inequalities result, as the communes with the greatest need for collective facilities and services are also those with the lowest tax potential. This situation is only partially addressed by realignment subsidies. The distribution of social housing from one commune to another is also very unequal. Division also encourages the wealthiest communes to adopt a 'stowaway' mentality with regard to the right to housing and to the city. A prerequisite to overcoming this behaviour is to resurrect the application of these two rights at the conglomeration level. This is not sufficient, however, since coalitions can be formed within conglomerations to maintain segregation by neighbourhood. If social cohesion and mix are to be considered public goods, then (according to micro-economic theory) delegating implementation of these rights to the conglomeration should – as always when internalising externalities – be enshrined either in incentives or in legal obligations combined with monitoring and penalties. From this perspective, the authors consider Article 55 of the SRU law on urban solidarity and regeneration justified in its principles concerning the public economy, even though they decline to issue a detailed view of its precise terms.

Fight discrimination

Discrimination exacerbates still further the phenomenon of urban segregation, impacting, in particular, access to housing, work and training. It affects not only foreigners, but also French citizens of, or assumed to be of, foreign origin. For the authors, socio-economic concerns of efficiency and equity corroborate the higher principles of human rights: we must fight more actively against the discrimination at play with means that go beyond legal neutrality. The 2001 law has strengthened the legal basis for this action, and it is now highly desirable for it to be institutionalised: the independent authority for the fight against discrimination, which has been announced several times, should see the light of day soon. The remit of this authority should encompass not only discrimination linked to national or ethnic origin, but also discrimination on the basis of urban origin or any other grounds.

Comments

Jacques Freyssinet agrees with the main thrusts of the report. In particular, he views employment as the first step towards social integration, urban segregation as a factor that aggravates discrimination towards immigrants or assumed immigrants, and the fostering of voluntary spatial mobility as a priority. He would nonetheless have welcomed more explicit comment on several areas: how can the urban mix combine an acceptable level of heterogeneity with a minimum of shared culture, like in the working-class neighbourhoods of yesteryear? What State controls need to accompany the delegation of the aim of urban cohesion and social mix to the conglomeration? How can we ensure that the mobilisation of people at the local level increases solidarity rather than causing withdrawal into specific communities?

Béatrice Majnoni d'Intignano regrets that the report does not distinguish sufficiently between the situation of girls and boys in the ZUS, that it does not analyse in greater depth the nature of the drug economy, that it does not focus more on the unsatisfied needs that go hand in hand with an under-employed workforce which are, in her view, the signs of classic unemployment. She advocates reinforcing the proposals of the report, by increasing government funds devoted to urban policy from 0.36 to 1 percent of GDP and implementing more visible and stimulating measures inspired, for example, by the Castors workers⁽³⁾ of the post-war years.

(3) A workers' movement which set up a co-operative for the construction of workers' houses.