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## Territories, Well-being and Public Policy

Job losses, closure of public services and local shops, collapse of property prices, or breakdown of social links: the sources of discontent in the territories are potentially numerous. Are some factors more determining than others? In this new *Note* from the CAE, **Yann Algan**, **Clément Malgouyres** and **Claudia Senik** analyse how recent changes in the local environment of individuals played a role on participation in the Yellow Vests movement, on self-reported well-being and on the abstention rate's variations in the presidential elections. They propose to rethink the objectives of territorial policies to focus more on living standards and well-being, to give priority to locally initiated projects rather than centralised policies, and to promote access to services, public or private, in order to preserve social cohesion in the territories.

### Changing the focus of territorial policies

The original empirical analysis carried out for this note examines the relationships between the symptoms of public discontent (measured by the evolution of abstention in presidential elections, Yellow Vests gatherings or dissatisfaction expressed by individuals in surveys) and the deterioration of living conditions at the local level. The analysis focuses on the evolutions of five factors at the municipality level over the last few years: employment, local taxation, private and public facilities, real estate and associative life. The statistical relationships established confirm the importance of the local environment on resident's dissatisfaction, beyond their own personal situation. While economic variables, such as the evolution of the employment rate, are central, the loss of facilities, particularly food stores, education, culture and health facilities, also plays an important role. The disappearance of places of socialisation, more broadly, seems to participate in the malaise of the territories mobilised in the Yellow Vests movement. When the associative life is stronger, expressions of discontent are less frequent. Beyond economic criteria, the objective of territorial policies should be reviewed to add dimensions related to the well-being of the population and quality of life. An indicator measuring the degradation of local living conditions may help achieve this objective, and target the support territories facing losses of local well-being.

**Recommendation 1.** Redefine the objectives of support to territories by taking into account all dimensions of well-being and not only economic criteria. Develop a targeting instrument that measures changes in local well-being factors.

## Changing the role of the government: from prescription to support

Along with a change in objectives, territorial policy methods also need a new approach. The aim is to support locally initiated projects, relying on specific assets and actors of each territories. These actors have the local necessary information for the success of territorial projects and for the choice of the appropriate level of governance for each of them. Several recent governmental programs such of city revitalisation and local development seems in line with this approach. Poor results of centralised spatial planning policies such as tax exemption schemes are an additional motivation for a change in methods. The available evaluations of urban empowerment zones (ZFU) or rural enterprise zone program (ZRR) show the ineffectiveness of these measures on the creation of jobs or settlements in disadvantaged areas, especially for rural areas.

**Recommendation 2.** Renew the central government's approach to territorial support policies. Give priority to technical and financial support for projects initiated locally, based on local information and supported by all the relevant stakeholders. Promote the right to experimentation and differentiation in the implementation of projects.

**Recommendation 3.** Abolish specific rural tax exemption policies and use this budget to fund local projects for rural areas, which allocation must closely involve local elected representatives.

## Access to public services and local shops

Local environment's quality also depends on the social links that local services, shops and associations can nurture. Therefore, promoting access to these services and the hosting of associations through hybrid forms and places adapted to each territory is central to preserve local life. The establishment of the "France Services" network to facilitate administrative procedures and access to public services can fulfil this function, by targeting existing places of socialisation and extending its missions to local services.

**Recommendation 4.** When setting up the "France services" network, target crossing places and allow a broadening of the missions by including local services, public and private, according to the local needs of users. Avoid the "all-digital" strategy, in order to preserve the social bond.

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