

General issues and outputs

EDF- CERI / Lancaster

DEMAND seminar

Paris – 25 September 2014

Outline

- Genesis of a research group
- What we have done by dealing with fuel poverty
- What we currently do : How to deal with fuel poverty outside the EU ? Issues about accessibility

The energy group CERI EDF

The CERI Energy group

- The main issues were :
 - How does the Neighbourhood policy proceed to avoid energy crisis (such as the 2006 and 2009 crises) ?
 - How do the regions (sub state level) proceed to implement EU rules : low carbon economy; energy 2020, energy networks, etc ?
 - How does Energy transition respect the Eu rule in different countries (Renewables) ?
 - How are energy policies implemented at different levels thanks to the structural funds ?
 - Do energy policies represent a major pillar within the Cohesion policy and how ?
- The energy field seemed to be a promising approach to reinvest our experiences gained in other research fields (mainly the Eastern European ones, the Cohesion policy, territorial and social inequalities etc .)

Research topics

- Under these conditions we set up a group with geographers, sociologists, political experts and we get subsidies to support our research:
 - From the Caisse des Dépôts to work on renewable energies and decentralization
 - From IDEX(a group of some Paris universities) to work on social acceptance / social acceptability of local renewables energy projects (Biomass and windfarm).
 - From EDF to work on fuel poverty.

Governance issues 1.

- **Centralized / decentralised (GB; France),**
 - Central energy firms / european champions
 - Central policies (and conflicts between environmental vs energy departments)
 - Limited local innovation
- **Regionalized (Germany)**
 - The Energiewende based on a strong and wide social consensus
 - The Bund remains the central actor for the policies but the Länder implement and develop their own policies
 - Cities are important actors (with the Stadtwerke)
 - Strong local innovation (1,5 million citizen have shares in the energy sector vs 1500 in France)
- **Centralized regionalised (Poland ; Hungary)**
 - Highly centralised but forced to privatize
 - Poland in favor of coal and not of renewables
 - Very limited local level

Table 1 Part of different forms of energy sources in the production of electricity (2012)

	Great Britain	France	Germany	Poland
Windpower	5.2%	13%	7.3%	1,3
Biomass	1.09%	46%	5.8%	95,7%
Solar energy	0.3%	10%	4.6%	-
Others*	4.71%		4.2%	-
Production of Renewables 2012**	11.3%	14%	21.9%	9%
Coal	39%	-	19.1% brown coal, 25.6% lignite	92%
Nuclear	19%	75%	16%	- (2020)
Gaz	28%	21	11.3%	
EnR en 2020 (EU forecasts)	15%	23%	35%	15%

Political parties and societal support to EnR

Great Britain	France	Germany	Poland
The Labor Party, Liberal Democrat, The Committee on Climate change ; the Energy and climate Change Committee (within the Parliament)	The Green, part of the PS, the public opinion (90%)	Die Grünen, part of the SPD, the public opinion (90%)	The small Green party which is no MP, some Think tanks
	Part of the PS	Part of the CDU (Christian democrat)	Minor part of the ruling party, the PO, parti of the SLD (socio democrat) and the peasant party (PSL), part of the population
The radical wing of the Tories, the Tory part of the ministry of energy and climate change, the Chancellor of the Exchequer, the lobbies of big electric firms.	The right party (UMP), the communis party (PC) the Nuclear lobby, part of the PS, extreme right and extreme left	Part fo the christian democrat, the 4 national ranking energt plants	Most of the parties, tehe souverainist Rigth (PIS), the coal lobby, 80% of the population
David Cameron is supporting the renewables but is revising the green levies. He is also in favor of the shale gas in 2012. He has accelerated the nuclear program in 2013	Hollande presidency : Strong gap between the public engagement in favor of the renewables and the realities of the support. The nuclear energy remains the main source.	Angela Merkel is the european leader in favor of the renewables : the objective of 35% in 2020, 80% in 2050, and Final end of nuclear in 2020	The Tusk ruling government has limited its engagement to the formal EU claims (3x20%). The coal mining industry is strongly supported by the governamt which has also launched the shale gaz investments. 2 nuclar plants should be run in 2020
The Comittee on Climate change has assessed that consumers will have to pay an additional 100£ per year to finance the green policy of the government.	EDF asked the government to be allowed to increase the electricity price by 30% in the next 5 years.	The cost of electricity is one of the highest in the EU. Experts think that it will keep increasing: in the next years the surcharge on renewable energy may amount to over 7 cents/KWh if no initiative is taken to maintain affordable electricity prices	If Poland had to pay the necessary CO2 quotas, the electricity price would increase 150%

The group EDF - CERI /

- A combination of people from a company (EDF) and from the academic sector (Sciences Po), an energetic mix!
- A post doc and different workshops
- A shared interest in analyzing different forms of poverty (of course in accordance with energy) in Europe.
- A common interest to compare Western and Eastern Europe.

The main research topics

- The « europeanisation » process : the capacity of Member States (sub state levels) to adapt / adopt the EU rules in accordance with their historical and national trajectories (path dependency);
- Sovereign states and common policy (which is almost non existing about energy);
- Hence the issue about the capacity from below to build a shared EU policy
- And therefore, the issue addressing the decentralisation process and the renewables.
- But first of all fuel poverty

2. What we have achieved

Fuel poverty

Our scientific project

- 1. To compare the different policies in Europe addressing fuel poverty
- 2. To understand the extent to which the process of liberalisation (market) and privatisation (the firms) leads or did not lead to an increasing energy poverty (fuel poverty)
- 3. To isolate and analyze local innovation dealing with energy poverty
- 4. To understand the extent to which the different forms of governance influence or not the different policies

Governance issues 2.

- **Centralized / decentralised (GB; France),**
 - A shared definition
 - Central policies
 - Local innovation and dense civil society
- **Regionalized (Germany)**
 - Not recognized neither by the political elites nor by the local ones
 - A huge and large social net which includes the energy risk
 - A big consensus supporting the German welfare
- **Centralized regionalised (Poland ; Hungary)**
 - The phenomenon is not recognized
 - Reduced to the assistance at the local level
 - Discriminated groups (minorities)

Four questions

- The first one covers the nature of the link between the institutional change implied by the liberalization of the energy sector since 1996, and the emergence of the phenomenon of energy poverty. This is the question **of new relations between the State, the market and the social field.**
- The second question relates to the variety of country institutional constructs (centralized, decentralised or federal) to determine if one of them reveals itself to be more effective in fighting the phenomenon of energy poverty. This is **the governance question.**
- The third question covers the types of innovation that emerge locally between public, private actors and NGOs to resolve this problem. **This is the collective action question.**
- The fourth question seeks to bring out the differences between the 3 western countries and the 2 eastern countries of the Union, to understand the weight of historic traditions in institutional and collective action matters. **This is the Europeanization question.**

A confused definition

Who is poor ?

- The European Economic and Social Council defines energy poverty as "*difficulty or inability for a household in maintaining his housing at an adequate ambient temperature and having other essential energy services for a reasonable price*" (CESE, 2010).
 - But how to quantify concepts such as "adequate temperature" or "reasonable price" ?
 - The temperatures recommended in one country do not correspond to any practical reality in others and especially in Eastern Europe
- The majority of Member States are not able to precisely qualify and quantify this increasing phenomenon in Europe very accurately.
 - Some focus on fuel poverty, others on of precariousness, or disability or incapacity and others even do not define the phenomenon;
 - The criteria change as well: the household; the health situation; the number of people living in the family; the retired people etc.

Confused figures and policies

- Individuals are difficult to identify because
 - They are not always part of the “poor” category (because sometimes they own their flat and even get incomes but most of them are old, with low income, alone or family with several children.),
 - they combine “withdrawal” behaviours that make them invisible.
- Hence the inaccuracy of statistics, official speeches and evaluations,
- The result : public policies miss their targets for this very reason.
- Energy poverty affects a larger social group whose members combine structural (housing, electrical equipment, climate), economic (income, employment) and social (household composition) constraints and who face increasing energy prices without having the means to ensure their access to energy.

Member State	Official description of « fuel poverty »
Belgium	Households experiencing particular social situations
Bulgaria	Consumers defined as « social poor »
Spain	Households living in particular social conditions
France	Fuel poverty defines people who face difficulties to satisfy basic needs in housing due to their low level of income or living conditions (Rapport Pelletier 2009)
Greece	A weak consumption (less than 1 000 kWh/4 months) and low incomes (less than 12 000€/year)
Malta	Available income in a household and the number of members of the household
Romania	Below the average level of the minimum wage, age, illness
Slovenia	People characterised by a « weak social status » and those whose health is threatened because of a lack of electricity
United Kingdom	Households who need to spend more than 10% of their incomes to heat their housing to an adequate level of comfort



Public policies

- Because of lack of accurate targeting, the public actors recycle aid programs that have already proven to combat poverty, disability, and incapacity.
- Moreover national policies are rarely set out at local level and the latter have few resources to develop effective intervention.
- Furthermore, the States are far from being the only players in this area and the EU must take into account intermediate representatives who have set themselves up as interested parties and lobbyists: Consortia, networks of players, consumer associations at European level.
- This work is based on five countries: Great Britain, France, Germany, Poland, Hungary.

6 outputs

- 1. Each country prepares its own construction made of quantitative and qualitative data on the basis of more or less relevant evaluations and assessments.
- 2. It is from this makeshift that public interventions are adjusted. Because of a lack of accurate data, public players tend to reformulate already known responses.
- 3. Because of a lack of a coordinated policy at ministerial level, central objectives not only become contradictory with each other, like those for environment and energy, but also between the latter and the ministry of social affairs.
- 4. As a consequence, the reaction from the central actors is often to unload the task of assisting these more or less visible populations onto the communes.
- 5. Everything therefore depends, beyond money, on the ability of local players to innovate by developing cooperation with private players and associations.
- 6. This ability results, in large part, from the institutional architecture in which the local level takes its place and the margins that the centre is ready to accept.

Western vs Eastern

- Western countries are the major players
 - By setting up the rules of the game (liberalisation and privatisation)
 - By expanding to the East (Big monopolies accepted the privatization of some of their assets under the condition they could become European giants. Eastern Europe was the field of this expansion)
- Eastern countries are dependent
 - Eastern was forced to agree with the EU (western) rules (the Acquis Communautaire)
 - Needed money and skills to fully transform their SOEs into competitive units
 - Fuel poverty was a rather new phenomenon

Energy and steel consumption in the Comecon countries and comparison with western countries.

Country	Energy intensity in Kg (coal equivalent) per 1000\$ of production in 1979	Steel intensity per Kg per 1000\$ production in 1980
Socialist countries		
East Germany	1356	88
Poland	1515	135
6 Comecon member countries (soviet market)	1362	111
Capitalist countries		
France	502	42
United Kingdom	855	79
Italy	820	38
(West) Germany	565	52

Winiecki in Janos Kornai, 1990, p. 352

Duration (in months) for the adoption of some chapters of the Acquis Communautaire

Chapters	Bulgaria	Czech Rep.	Estonia	Hungary	Latvia	Lithuania	Poland	Romania	Slovenia
Freedom of property	8	17	24	13	0	5	19	21	0
Competition	39	41	30	43	18	18	43	49	29
Agriculture	33	30	30	30	18	18	30	25	18
Taxation	10	25	31	19	13	10	28	20	9
Employment and social policies	6	20	13	14	16	4	18	6	3
Regional policy	31	24	26	27	15	15	32	29	15
Environment	23	18	18	18	6	7	22	31	8
Justice and internal affairs	28	19	23	18	12	10	14	32	12

3. How to deal with fuel poverty outside the EU

EU affordability

- State and market, property rights
- The public regulation and the role of operators
- The definition of fuel poverty vs poverty
- Different measures of quantification
- Forms of withdrawal
- Public measures (redistributive and preventive, subsidies, taxes)
- Different forms of collective action
- Involvement of companies (more or less important)

Outside EU accessibility

- All these dimensions are relevant outside the EU but important differences
- Based on a series of workshop (Latin America; Maghreb; China (+Myanmar, Indonesia, Philippines) Turkey)
 - The definition of fuel poverty is missing and irrelevant
 - The phenomenon is very rarely recognized
 - There are massive frauds
 - Relations between State / market / society are particular
 - Territorial and social inequalities are huge, therefore issues about accessibility
 - Relations between State, regional and local levels are very specific
 - Consensus between different groups are different (informality)

The EU

- The welfare state
- (liberal and social)

- General accessibility
- Formal contracts, state subsidies, taxes

- Urban / rural divide

outside the EU

- The developmental state (liberal and protectionist)

- Missing accessibility
- Informal relations, communities, « grey zones »

- Urban issues (core and peripheries) and center vs periphery

The main research topics

the state and social consensus

- **The state vs market**
 - The state back in (despite or thanks to the liberalisation / privatization process the state remains the central actor (regulation and control)
 - Liberalization and privatization
 - The decentralisation process and the balance of power
- **The state and society (embedded autonomy)**
 - the capacity to create efficient channels for some interest groups representing local groups of poor
 - The different (informal) kinds of consensus
- **The developmental state**
 - Infrastructures in order to reduce territorial inequalities / equipment
 - Developmentalism vs regulatory

Thank you for your attention