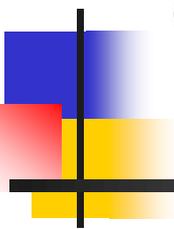
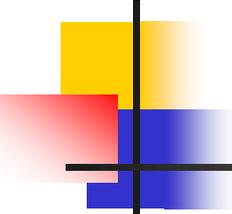


The difficult emergence of the question of energy poverty. The consensus around the German social state
Rachel Guyet



DEMAND seminar
Paris – 25 September 2014

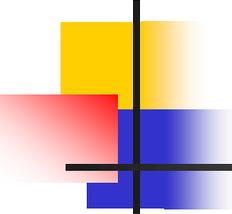


The German consensus

- Priority given by the government to the most important policy of Merkel the *Energiewende*, to the reduction of its costs and to energy savings
- Confidence in the free market to reduce the prices (switching suppliers)
- The government promotes pro-active change of behaviour, especially for the poorest segment of the population: energy savings (*Stromsparcheck*) + linked to poverty stereotypes (waste)
- The government has confidence in the redistributive measures embedded in the social system (SGBII law): electricity flat rate and coverage of the heating cost to guarantee a minimal access to energy for all

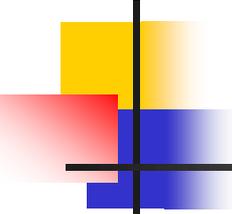
Lack of consensus on the recognition and definition of fuel poverty

- « *Energiearmut* » is not integrated in the public action
 - because of a lack of consensus on what it represents
 - « Lack of energy in a rich country is not possible »
 - For some NGOs it is linked to power disconnection because of non payment: « it means to « be sitting in the dark » with risk of domestic accidents »
 - For some others it is linked to a deficient heating system (payment + technology)
 - Because of the tensions opposing NGOs, Tus, researchers vs government
 - The first group alerts on the difficulties of an increasing part of the German households to pay for their energy bills + risk of social exclusion
 - The second group focuses on the *Energiewende* and trusts the social system to solve/avoid the problem
 - When it is referred to, it is more an opportunistic choice than a real political issue:
 - Opposition parties (Die Linke, the Greens)
 - Electoral argument



No legal reference

- In the energy laws, there is no reference to « *Energiearmut* » or any equivalent;
- The decision of disconnection is considered as the last measure and depends on the free appraisal of « appropriateness of the disconnection » by the energy company
- No obligation of supply in winter
- Obligation of universal service for the energy company who holds a dominant position on the local market (obliged to offer a contract to all but usually offers the highest tariffs)
- No provision on pre-payment meters, only voluntary initiatives
- Tariff autonomy of the energy companies: no interference from the State except via taxes (denounced by the companies + denounced by NGOs: inequality of taxes between household and energy intensive industries)



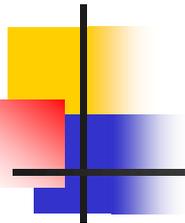
No statistical category

■ Statistics on poverty

- In 2011 16 million German live in poverty
- Poverty higher in the Eastern part (19.7%) than in the Western part (14.0%)
- Share of recipients of social allowances (Hartz IV recipients): 10.60% in the New Länder, 6.40% in the western Länder

■ But NGOs say the reality of the energy difficulties is more complex:

- « mini jobbers »,
- people who don't claim their allowances (34%-44% of the entitled persons, it varies across the income group: 28% of them in the second group)
- Hidden poverty (3.1 – 3.9 million people)
- self restriction behaviour etc.

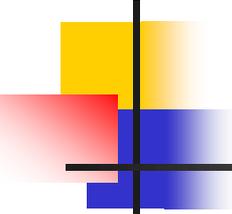


■ But no statistics on fuel poverty not even on energy spending:

<https://www.destatis.de/DE/ZahlenFakten/GesellschaftStaat/EinkommenKonsumLebensbedingungen/Konsumausgaben/Tabellen/PrivateKonsumausgaben.html>

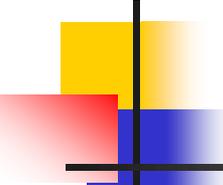
- Electricity spending is merged with the housing spending
- Part of the housing spending (without heat cost) in the overall spending of the households: 22.5%

■ First information on electricity disconnection in 2012: under the pressure of NGOs, the government had to ask the suppliers to publish their data on electricity disconnections: 312 000 out of 40.1 million households (between 500 000 and 600 000 according to NGOs)



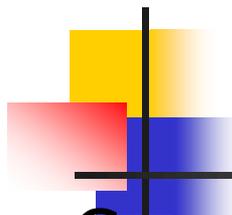
Some research

- DIW: in 2011, electricity represents on average 2.34% of household spendings
- But it varies considerably according to the revenues: 6-7% for the lowest income group
- Explained by:
 - The increase in the energy price and the decrease in incomes
 - Lack of investment capacity
 - The regressive aspect of energy taxes which are the same for all and have a hard effect on the most disadvantaged groups of population
- = This inequality has to be addressed



A slow emergence

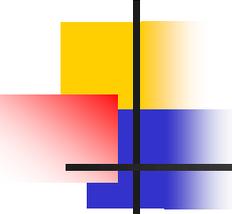
- Focus on electricity: A debate emerged before and during the last general elections in relation with the increasing cost of energy transition (taxes from 3.5 cents in 2011 to 6.24 cents in 2014)
- An approach in terms of inequality is supported by NGOs, TUs and academic researchers: According to them it is a long term phenomenon whereas the government tends to present it as a transitional one linked to the *Energiewende*
- Controversies on: the disconnection, universal services, inequality of taxes between households and industries, regressive taxes, social tariff. The most important one focuses on the gap between the electricity flat rate of 29.69€ in 2013 included in the social allowances and the rise in electricity prices: over 20% of the cost is not covered by the electricity flat rate = criticism of the welfare state unable to guarantee the basic needs to all citizens
- Local initiatives addressing the problem: e.g. Vattenfall in Berlin

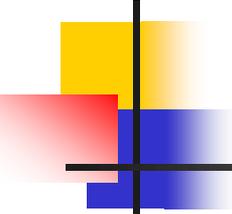


Questions for the debate

- Considering the increasing gap between those who have access to « luxury energy consumption » and those whose basic needs are not even covered, has energy become a good like any other and the access to it a sign of « distinction » reproducing inequalities accepted by the elites in the present consumption society?

- Typically the debate on energy savings is promoted by the elites/the dominant group while a large part of the population/the dominated group is struggling with the bills and is already implementing all the possible tips to reduce their consumption.

- 
-
- Considering such inequalities how relevant is it to declare energy an essential public good? If it is the case,
 - Does it have to be translated into a universal right embedded into legal instruments and institutions to control its application?
 - In that case, how to link legal equality and social equality?
 - How to justify the public intervention to guarantee the access to energy to all in a free market? Through housing? Welfare? Environment? Health?
 - Or is the access to energy equivalent to the access to health care, to education and other public services and thus « just » considered as a social issue that should be addressed by redistributive measures?

- 
-
- What would be the minimum access to energy required in order not to be excluded from the society?
 - How to take into account what basic energy need means in time and space?
 - What does it concern: electricity, heat, hot water, cooking, transport etc.?
 - What is to be considered: electricity, gas, domestic oil, wood, coal, petrol etc.?
 - How does it impact the price policy and the market?
 - What is expected from the State?