2020
FOCUS

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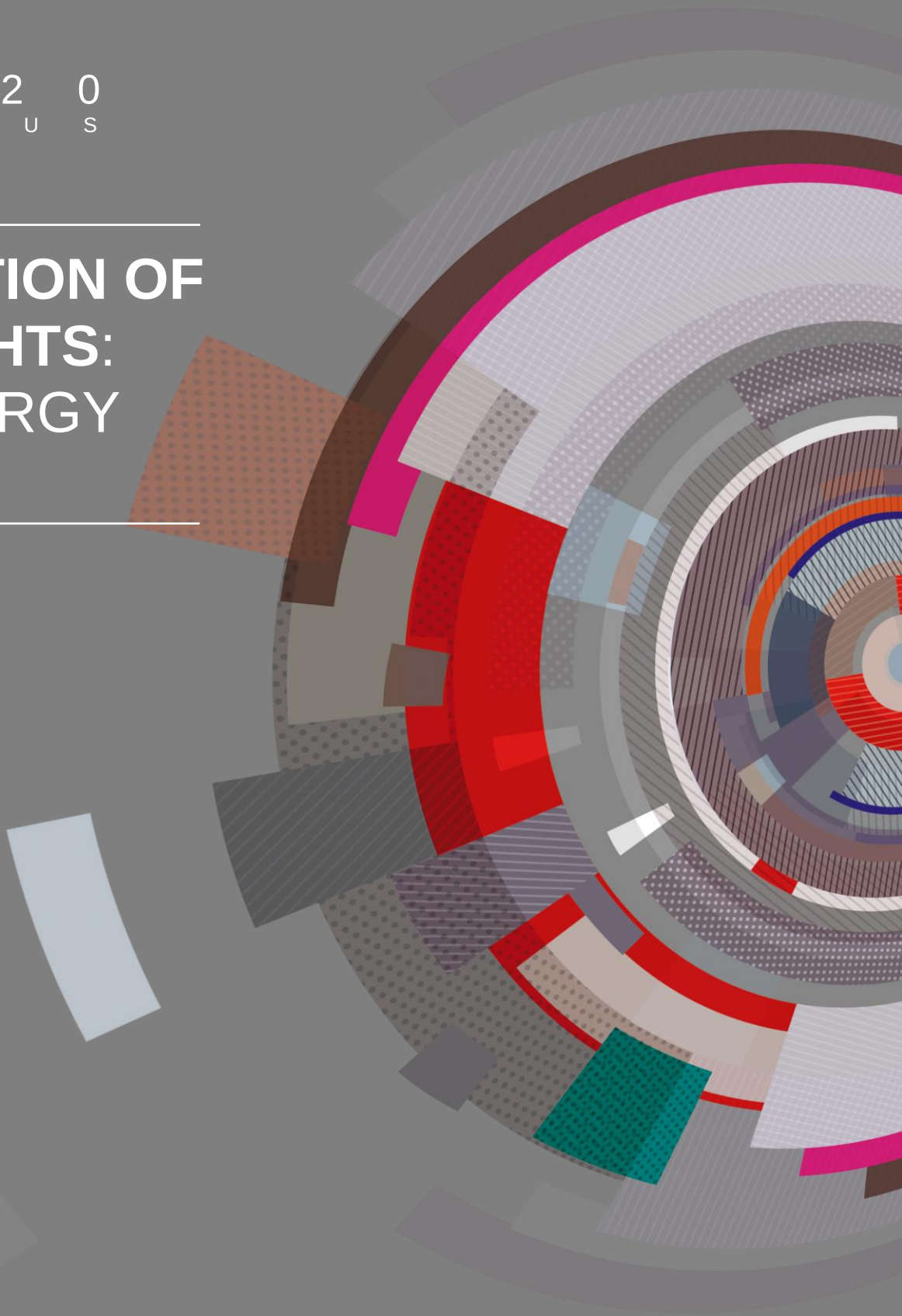

FOESSA Foundation Technical Committee

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FOMENTO DE ESTUDIOS SOCIALES
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CONTENTS

Introduction

Although the term Energy Poverty has recently become popular, all of the studies that FOESSA have carried out allow us to affirm that there is just one type of poverty, regardless of surnames or dimensions, and it integrally affects the household that suffers from it. Although we understand that dividing up poverty has a useful communicative effect, we believe that it is possible to run the risk, above all from those who are responsible for leading public policies and social intervention processes, of offering partial and palliative solutions, instead of prioritizing more integral approaches.

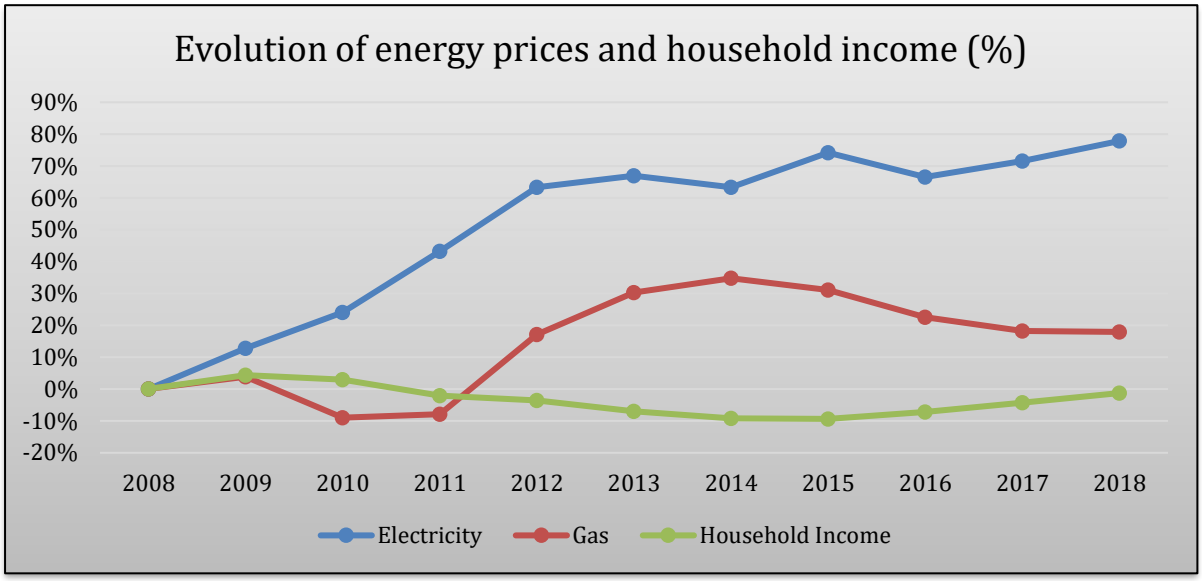
However, and given that we understand the housing and all of the necessary supplies that it entails, as a human right, we want to dedicate this Focus to unravelling the issue and offering data about this reality.

1. Rising energy prices and falling household incomes: reverse dynamics

A household enters into Energy Poverty when it is unable to pay for enough energy to meet its household needs and/or when it is forced to spend an excessive amount of its income on paying the energy bills for the home[1]. Therefore, there are three main factors which determine this situation: energy costs, insufficient household income and household energy inefficiency.

In recent years, the cost of energy and household income have been following opposite trends. Between 2008 and 2018, the price of electricity for an average family[2] has risen by 77.9%, with the price of gas also having risen by 17.9%. However, on the other hand, households, far from increasing their income, have seen their purchasing power reduced by 1.3%. This evidence should also lead us to a thorough reflection on the reasonableness of the current energy price configuration.

[1] Tirado Herrero, S., López Fernández, J.L., Martín García, P., 2012. Energy poverty in Spain, Potential for direct employment generation from poverty derived from energy rehabilitation of housing. Environmental Sciences Association, Madrid, Spain.
[2] Considering the contracted consumption power between 2 500 kWh and 5 000 kWh (electricity) and between 20 and 200 GJ (gas).



Source: Own preparation with Eurostat data measured in purchasing power parity units (PPS/kWh) and the INE Living Conditions Survey

2. Untangling the thread: components and data about Energy Poverty in Spain

In accordance with the methodology proposed by the European Energy Poverty Observatory (EPOV), four indicators have been established to measure Energy Poverty, which are summarized in the following table together with the data obtained in EINSFOESSA 2018[3]:

INDICATOR	Definition of the indicator	% of homes affected
Inadequate Temperature	Households that declare themselves unable to keep the house at an adequate temperature.	**16.6%**[4]
Arrears on utility bills	Households who report having made late payments on their home energy bills at least twice in one year.	**8.1%**
High share of energy expenditure in income[5]	Households that are forced to pay excessive costs on energy bills.	**17.1%**
Hidden Energy Poverty[6]	Households whose energy expenditure is abnormally low that it can show energy deprivation situations.	**14.2%**

[3] FOESSA Foundation Integration and Social Needs Survey
[4] In the attached tables, the figures broken down by Autonomous Community can be found in bold
[5] Households whose share of energy expenditure in income is more than twice the national median share.
[6] In the Spanish case, this indicator is considered when the household spends less than 840 euros per year on energy supplies (35 euros per month).

As mentioned at the start of this document, we understand that Energy Poverty is only one of the different manifestations of poverty, and therefore it is the most vulnerable groups who suffer from it the most. In this way, it is evident that, if **16.6%** of the global population is unable to heat their home to an adequate temperature, this reality reaches **41.4%** of households where the main breadwinner is unemployed and **29.2%** of households where there is a person who was not born in Spain.

The difficulties that families have to cover the cost of energy affects the population unevenly depending on numerous factors. For **54.6%** of families in a state of poverty in Spain, energy represents a disproportionate cost with respect to their income. Depending on the type of household, large families **(27.8%)**, single-parent families **(24.9%)**, and those with a woman as head of household **(23.5%)** are the most affected in this respect.

Similarly, the late payment of bills affects the socially excluded population **(23.4%)** and large families **(25.5%)** almost three times more than the general population **(8.1%)**. Tenancy regime is another significant factor, since families in a rental situation suffer almost twice as many delays in energy supply payments **(16%)**.

All of these realities are amplified amongst families living in energy inefficient homes, where the most vulnerable groups are highly represented. We consider housing to be inefficient when any of these three cases occur: serious construction deficiencies, supply installations need to be repaired or doors or windows need to be changed. Thus, if energy inefficiency is a problem that affects **4.2%** of the general population, the figure is more than double if we focus on the excluded population **(9.5%).**

3. Multiple vulnerabilities and effects

Both the escalation of prices in the energy market and the decrease in household income mean that many families that were in a vulnerable position are now immersed in energy problems that make their situation even more difficult.

Therefore, Energy Poverty adds to previous situations of exclusion generating multiple dynamics of vulnerability. For example, amongst households that are unable to heat their homes to an adequate temperature, **76.8%** have also been forced to reduce their spending on footwear and clothing, and **51.2%** on food.

Thus, although the causes of Energy Poverty must be identified in the traditional areas of vulnerability in Spain (unemployment, migration, families with children, etc.), the consequences of this situation are starting to become evident, for example in the field of health. The self-perception of a bad state of health is almost double in people who do not manage to keep their home at an adequate temperature **(8.2%)** than in those who do manage to do so **(4.2%)**.

4. Annexes

Table 1. Percentage of households affected by each indicator in each Autonomous Community

Autonomous Communities	*Inadequate Temperature*	*Arrears on utility bills*	*High share of energy expenditure in income*	*Hidden Energy Poverty*
Andalusia	4.60%	7.90%	13.60%	7.60%
Aragon	7.70%	5.00%	17.40%	15.20%
Asturias	26.60%	7.30%	13.20%	15.40%
Balearic Islands	22.10%	10.20%	19.60%	7.60%
Canary Islands	25.70%	10.60%	9.00%	46.90%
Cantabria	17.10%	3.30%	9.40%	26.80%
Castile La Mancha	22.40%	5.70%	26.40%	9.50%
Castile and Leon	13.50%	6.50%	23.00%	10.80%
Catalonia	18.20%	10.00%	15.10%	8.80%
Valencian Community	21.50%	12.90%	16.00%	32.10%
Extremadura	14.80%	6.30%	25.00%	15.20%
Galicia	18.80%	7.10%	14.50%	13.50%
Madrid	22.60%	5.10%	21.80%	8.80%
Murcia	21.60%	14.50%	17.80%	7.60%
Navarre	7.40%	5.60%	24.40%	16.80%
Basque Country	12.50%	4.40%	18.00%	11.70%
La Rioja	7.20%	3.60%	14.60%	21.70%
Spain's total	**16.60%**	**8.10%**	**17.20%**	**14.20%**

Table 2. Percentage of households affected by Indicator 1 (Inadequate housing temperature)

Autonomous Communities	*Households in General*	*Households with an unemployed main breadwinner*	*Homes with someone not born in Spain*
Andalusia	4,60%	15,6%	5,2%
Aragon	7,70%	40,0%	16,3%
Asturias	26,60%	71,4%	42,9%
Balearic Islands	22,10%	52,6%	23,5%
Canary Islands	25,70%	40,5%	41,7%
Cantabria	17,10%	40,0%	30,0%
Castile La Mancha	22,40%	56,3%	34,9%
Castile and Leon	13,50%	36,0%	25,0%
Catalonia	18,20%	65,3%	31,8%
Valencian Community	21,50%	47,3%	43,3%
Extremadura	14,80%	32,0%	15,4%
Galicia	18,80%	44,4%	38,5%
Madrid	22,60%	52,3%	30,3%
Murcia	21,60%	72,7%	47,5%
Navarre	7,40%	33,3%	25,0%
Basque Country	12,50%	31,6%	20,0%
La Rioja	7,20%	25,0%	20,0%
Spain's total	**16,60%**	**41,4%**	**29,2%**

Table 3. Percentage of households affected by Indicator 2 (Delay in Payments)

Autonomous Communities	*Households in General*	*Households in Exclusion*	*Large Family*	*Rental Accommodation*
Andalusia	7.90%	23.2%	15.7%	13.0%
Aragon	5.00%	22.2%	20.0%	11.4%
Asturias	7.30%	20.5%	16.7%	15.5%
Balearic Islands	10.20%	20.3%	20.0%	16.8%
Canary Islands	10.60%	23.0%	33.3%	11.4%
Cantabria	3.30%	16.7%	20.0%	8.0%
Castile La Mancha	5.70%	15.6%	25.8%	13.0%
Castile and Leon	6.50%	22.3%	42.9%	17.3%
Catalonia	10.00%	29.2%	26.1%	19.1%
Valencian Community	12.90%	38.4%	38.9%	28.3%
Extremadura	6.30%	16.4%	25.0%	17.8%
Galicia	7.10%	17.8%	6.7%	19.7%
Madrid	5.10%	12.9%	32.8%	10.3%
Murcia	14.50%	28.4%	36.0%	24.7%
Navarre	5.60%	16.7%	20.0%	13.9%
Basque Country	4.40%	15.4%	12.5%	8.9%
La Rioja	3.60%	12.5%	20.0%	9.5%
Spain's total	**8.10%**	**23.4%**	**25.5%**	**16.0%**

Table 4. Percentage of households affected by Indicator 3 (Excessive Costs)

Autonomous Communities	*Households in General*	*Households in Poverty*	*Large Family*	*Single Parent Families*	*Households with a woman as the main breadwinner*
Andalusia	13.6%	49.2%	12.5%	25.4%	22.1%
Aragon	17.4%	51.6%	11.1%	28.6%	28.2%
Asturias	13.2%	48.6%		11.5%	18.8%
Balearic Islands	19.6%	60.0%	16.7%	27.3%	26.6%
Canary Islands	9.0%	33.8%		14.6%	8.3%
Cantabria	9.4%	45.5%	25.0%	7.1%	13.3%
Castile La Mancha	26.4%	59.1%	35.7%	26.7%	29.8%
Castile and Leon	23.0%	68.8%	45.5%	30.6%	26.0%
Catalonia	15.1%	55.2%	29.3%	30.8%	23.5%
Valencian Community	16.0%	57.4%	28.2%	13.2%	24.7%
Extremadura	25.0%	53.1%	50.0%	33.3%	26.3%
Galicia	14.5%	46.0%	14.3%	16.2%	19.1%
Madrid	21.8%	58.7%	51.8%	32.7%	27.4%
Murcia	17.8%	60.7%	23.8%	26.1%	22.7%
Navarre	24.4%	75.0%	42.9%	35.7%	35.3%
Basque Country	18.0%	71.1%	20.0%	25.5%	25.8%
La Rioja	14.6%	57.1%	25.0%	20.0%	16.7%
Spain's total	**17.2%**	**54.6%**	**27.8%**	**25.1%**	**23.5%**

Table 5. Percentage of energy inefficient homes

Autonomous Communities	*Households in General*	*Households in Exclusion*
Andalusia	2.2%	7.8%
Aragon	4.2%	20.4%
Asturias	5.6%	11.7%
Balearic Islands	7.4%	14.0%
Canary Islands	5.7%	7.8%
Cantabria	5.9%	9.5%
Castile La Mancha	3.5%	5.3%
Castile and Leon	5.4%	10.3%
Catalonia	7.5%	12.1%
Valencian Community	3.6%	9.3%
Extremadura	6.6%	20.9%
Galicia	2.8%	7.2%
Madrid	1.0%	3.6%
Murcia	5.6%	12.1%
Navarre	6.8%	19.2%
Basque Country	5.8%	8.8%
La Rioja	3.6%	14.0%
Spain's total	**4.2%**	**9.5%**

Table 6. Percentage of households that, being unable to keep their home at an adequate temperature, have also had to reduce other types of household expenditure

Autonomous Communities	*Reduced expenses on clothing and footwear*	*Reduced expenses on food*
Andalusia	83.0%	67.0%
Aragon	65.4%	30.8%
Asturias	85.5%	46.1%
Balearic Islands	77.8%	57.1%
Canary Islands	47.6%	41.3%
Cantabria	92.3%	50.0%
Castile La Mancha	80.0%	52.7%
Castile and Leon	79.5%	51.7%
Catalonia	82.4%	55.5%
Valencian Community	70.5%	62.0%
Extremadura	65.9%	52.5%
Galicia	76.6%	21.7%
Madrid	78.2%	50.0%
Murcia	94.5%	50.7%
Navarre	58.3%	50.0%
Basque Country	80.3%	49.3%
La Rioja	83.3%	50.0%
Spain's total	**76.8%**	**51.2%**

Table 7. Percentage of people who are in poor health (self-perception)

Autonomous Communities	*Household is maintained at an adequate temperature*	*Fails to keep the house at an adequate temperature*
Andalusia	5.4%	11.0%
Aragon	2.7%	5.9%
Asturias	5.4%	14.0%
Balearic Islands	3.8%	8.5%
Canary Islands	5.8%	6.1%
Cantabria	6.8%	8.3%
Castile La Mancha	2.4%	8.4%
Castile and Leon	5.7%	14.6%
Catalonia	2.8%	10.2%
Valencian Community	3.3%	7.5%
Extremadura	4.1%	12.9%
Galicia	8.2%	8.3%
Madrid	2.3%	2.9%
Murcia	4.8%	11.3%
Navarre	5.0%	5.3%
Basque Country	4.8%	12.1%
La Rioja	3.5%	16.7%
Spain's total	**4.2%**	**8.2%**