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POVERTY WATCH IN UNEQUAL TIMES OF CRISES

Poverty Watch Launch
13 October 22



EUROPEAN ANTI POVERTY NETWORK

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IN UNEQUAL TIMES OF CRISES

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2022

EAPN France

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POVERTY WATCH KEY FINDINGS

Faced with the current situation, EAPN France is taking a stand to fight against inflation which is hitting people in poverty even harder.

Solutions can therefore be found at two levels, the first being **structural and lasting**:

- A decent minimum income guaranteed from the age of 18, equal to 50% of the median income, i.e. €918 per month for a single person (value 2019).
- Intensifying the fight against long-term unemployment thanks to individualised support over time, including during employment.
- Reorient the Common Agricultural Policy to support farmers who make an effort to preserve the climate and territorialise the fight against food insecurity to encourage the development of sustainable models.
- Promote access to health care, food, culture and leisure activities, in accordance with the principles set out in the European social rights base that France adopted in November 2017.
- Increase of the construction of social rental housing (150,000 social rental housings including 60,000 very social housing at the lowest rents).
- Massive renovation of thermal loopholes, with increased aid thanks to European credits for social rental housing and low-income owners (EAPN France Seminar on 1st June 2022).

#PovertyWatch #EndPoverty

Check out our campaign and the
Poverty Watch Report at eapn.eu/17-10/



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When thinking in **short term**, the following actions can be taken:

- *RSA* (Solidarity Active Income) increase of 10%.
- *APL* (Personnalised Help for Accomodation) increase of 10%.
- In terms of precariousness and food aid, put an end to small measures and understand food insecurity under the light of the fight against poverty and food.
- Increase of the “energy cheque” from 150 Euros to 700 euros on average per year.
The energy voucher is 800 Euros in the Netherlands and 620 Euros on average in Spain if we want to compare (based on the testimonies given at the EAPN France Seminar on 1st June 2022).

ENERGY CRISIS, INFLATION AND CONSEQUENCES OF THE COVID CRISIS

The year 2022 in France has been marked by the presidential elections on 5th and 13th April. This was an opportunity **to take stock on the strategy to prevent and combat poverty**, launched at the beginning of 2018. We are obliged to notice that poverty has not decreased and that inequalities have deepened, a large part of the middle class suffering the cumulative consequences of inflation and the health crisis. The most disadvantaged social categories have even seen their situation worsen. Solidarity associations were very disappointed because the measures taken were only to respond to a certain question at a certain time ("boosts") to the detriment of structural measures which, alone, could truly reduce poverty and inequality.

People experiencing poverty themselves deplore this lack of state consideration: *"What bothers me is that the demands we make are only put forward by the associations and that they aren't rights put forward by the State, which on the contrary always seeks to reduce them."*

Talks without filters, Consultation and recommendations of people in precarious situation over policies of which they are the public, CNPAS / CRPA

The consequences of the war between Russia and Ukraine are visible in two ways in France: **inflation on the one hand and energy prices on the other.**

The **inflation** has for immediate consequence the **spike in food prices** (7 Euros for a kilo of peaches this summer, whereas the normal price in an ordinary supermarket the previous summers was around 3 Euros per kilo. Only discount supermarkets or markets now offer prices per kilo in line with the prices paid previously). All the daily products made from wheat as pasta, from sunflower as oil, as well as all fruits and vegetables are subject to the same kind of increase.

"The price of food is too expensive for people in precarious situations; people only eat "cancer".

Meeting PeP 2021

Rents have also increased, or will do. For example, the rent reference index, which allows to track rents' changings, is expected to rise by around 3.5% by the end of the year.

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The inflation is expected to reach 5-6% by the end of the year according to the official public statistics (INSEE, June 2022). However, some forecasters expect inflation to reach 8% by the end of the year.

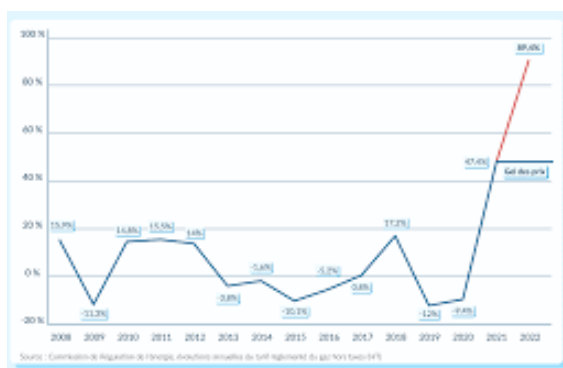
Along with inflation, **energy prices** are also on the rise and forecasts indicate that this increase will continue to grow by the end of the year.

It's difficult to assess at this time of the year to what extent this will be the case, especially as it is in autumn and in winter that the bills are the highest, and yet, the war has been declared in February 2022, i.e. at the end of last winter.

Some government measures are **unfair**. For example, the reduction of fuel prices applies equally on low-income earners who have to use their car to go to work and on large cars drivers who use them for leisure purposes.

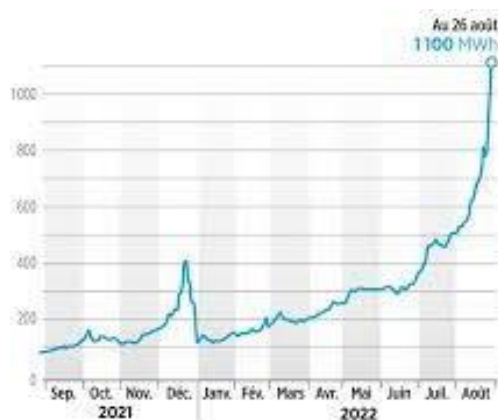
EAPN will however follow with great interest the data that will surely be provided later this year by the National Observatory of energetic precariousness.

Regulated gas tariffs' evolution from 2008 to 2022



*Energetic regulation commission,
Annual changes in the regulated gas tariff excluding taxes*

Electricity prices' evolution in France, in euros/ MWh



*Erwan Benezet , « Electricity and gas prices: how much will your bill rise?»,
28th August 2022, Le Parisien*

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It should not be forgotten that this energy crisis also comes at a time when the health crises had already pushed some people into poverty, people who were just keeping their heads out of the water

Thus, precarious students who were not longer able to work casual jobs, especially in the restaurant industry, joined the ranks of people seeking food aid, such as employees left behind with technical unemployment. Those people have seen their career paths, some academic, other professional, turned upside down.

« It was the first time that I had to go for a food aid because before, I had help from my mom. But now, as she works remote, she doesn't earn the same amount as she normally does. And on top of that, I was paying my rent €600 without any help, so my budget was reduced. I wondered myself how I was going to live? »

Study on students receiving food parcels 2020-2021, Association Co-p1 - Students Solidarity

Rental evictions, which were previously prohibited, began again during summer 2021. It's feared that they will continue and intensify in the upcoming months because of the double effect of damages due to health crisis in the one hand and inflation and energy crisis on the other.

IMPACT ON POVERTY AND INEQUALITY

This multidimensional crisis has an even greater impact on people in precarious situation. Indeed, the consequences of food rising prices are even greater on those people as they **have even less to live with**.

As a reminder, the Active Solidarity Income of a single person in France is less than 600 Euros.

Even if many people experiencing poverty live in social housing where rent increases are less brutal, many don't have access to social housing because of the very long waiting times, especially in tense areas (10 years on average). In conclusion, there are still many precarious people who live in **run-down private housing, which is often made up of thermal loopholes**.

« Our landlord is breaking the law but nothing is done. The government has the money to build decent buildings but nothing is done. »

EAPN France Seminar on 1st June 2022

People living in poverty who are lucky enough to live in the social housing will also have an increase of their rents, of maximum 3.5%, later, from 2023. Social landlords who can afford to will do their utmost to avoid passing on this increase on their tenants but the economic model has been weakened those past few years and the most fragile amongst them will be forced to **pass this increase on their tenants**. This increase will be smaller in absolute terms but as important in relative terms given the lower resources of social housing tenants.

“This person did not pay a gas bill for several years because the landlord didn't do what was necessary. When the social landlord realised the mistake, the person had to pay 6 years of gas.”

EAPN France Seminar on 1st June 2022

Finally, even if great progresses have been made in the social housing, 20% of tenants still live in thermal loopholes.

“In the first [social housing] I was living in, there was a lot of damp, the boiler was impossible to turn off, so astronomical bill in winter.”

EAPN France Seminar on 1st June 2022

Number of households saying they have suffered from cold at least during 24 hours and explanations provided



National Mediator of energy, "Synthesis of energetic barometer 2021"

The French government didn't sit still and has taken a panel of actions to prevent this crisis from hitting people experiencing poverty too hard.

Thus, a **law called Purchasing Power Act**, passed in the summer 2022, plans to increase the *RSA* of 4%, i.e. below the expected inflation which could be between 5% and 8% by the end of the year. This will not be enough, but it will allow to limit damages.

This same law provides that the rent reference index, and consequently the rents, may not be increased by more than 3.5% during 2022. In order to absorb the expected increase, the *APL* (Personalised help for accommodation) will also be increased by 3.5%.

The government had the merit of taking these measures as early as July 2022, i.e. fair quickly. In that sense, it was welcomed by the associations who nevertheless **underlined all the limits**, the main one being that those actions aren't structural and applicable to all precarious people.

On the one hand, the *APL* had not been increased, and had even been reduced, in recent years. This revaluation therefore seems insufficient and the associations argued for a 10% rise in both the *RSA* and the *APL*.

On the other hand, many precarious people don't receive the *APL* because they are just above the resource ceilings, which are still relatively limited, around the *SMIC*, 1300 Euros net, whereas the average rent in the private sector of a tense area for a single person is around 800 Euros.

In the field of energy, the government has introduced the “**Energy Cheque**” for households suffering from inflation, but this scheme is difficult to access and remain insufficient. Indeed, this help accessibility is limited because of the additional administrative steps and the type of supporting documents which has to be provided. That constitutes major obstacles for precarious people.

“When people are in great difficulties, when they have to fight every day to survive, and are already doing numerous steps to access their rights and justify their situation, having to take additional steps to access the “energy cheque” is particularly difficult”.

EAPN France Seminar on 1st June 2022

In addition, in an attempt to compensate the inefficiency of this schema, the government acted with another one-off measure by implementing a **supplementary payment of 100 Euros** for people already receiving the “energy cheque”, which is intended to enable people in difficulty to cover their energy bills. However, this one-off payment of 100 Euros is still far below what is really needed.

For example, the average electricity bill was around 1,600 Euros per year, for an “energy cheque” which is on average around 150 Euros.

“The house cost us very much and it makes us sick because of mould. It costs me €100 per week for heating.”

EAPN France Seminar on 1st June 2022

That is why the associations initially asked for its doubling, i.e. an “energy cheque” of 300 Euros. The *Rénovons* collective, partner of EAPN France, as well as EAPN France, are them asking for an increase to 700 Euros.

Similarly, to fight the rising prices of everyday consumption’s goods, an emergency aid of 100 Euros per household, plus 50 Euros per child will be paid to families receiving minimum social benefits and the activity allowance at the start of the 2022 school year. These measures are woefully inadequate.

CONCLUSION AND RECOMMENDATIONS

As the national Anti-Poverty Strategy comes to an end, the associations are asking for **concrete and structural actions** to be taken now (in the 2023 Finance Bill currently being prepared) and followed during the new five-year period in order to really fight inequalities and put an end to extreme poverty.

The solidarity associations grouped in the ALERTE collective, led by UNIOPSS and of which EAPN France is a member, are calling for:

- A decent minimal wage guaranteed from the age of 18, equal to 50% of the median income, i.e. €918 per month for a single person (2019 value).
- The de-conjugalisation of the Disabled Adult Allowance (*AAH*), which means the disregard of the income of the whole household. The government has announced that this measure will be applied during 2023.
- Intensifying the fights against long-term unemployment, thanks to, especially, a personal over time support, including in employment.
- Promote access to health care, food, culture and leisure, in line with the principles set out in the European foundation of social rights that France adopted in November 2017.

Finally, these living conditions and their evolution are still a worry for precarious people. This is especially reflected in the themes raised and proposed for the next PeP meetings, of which the following are some examples;

- Energy poverty, which only go in increasing and causes financial worries as well as problems with health, housing, food and education.
- The inflation's impact on available housings and housing repairs.
- Questions of employment and minimum income in times when inflation increase drastically the daily costs.
- Access to health care - physically and mentally speaking.

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