



Institute ^{for}
European
Environmental
Policy

Who took the burden of the energy crisis?

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Laudes Foundation



The 2022 energy crisis

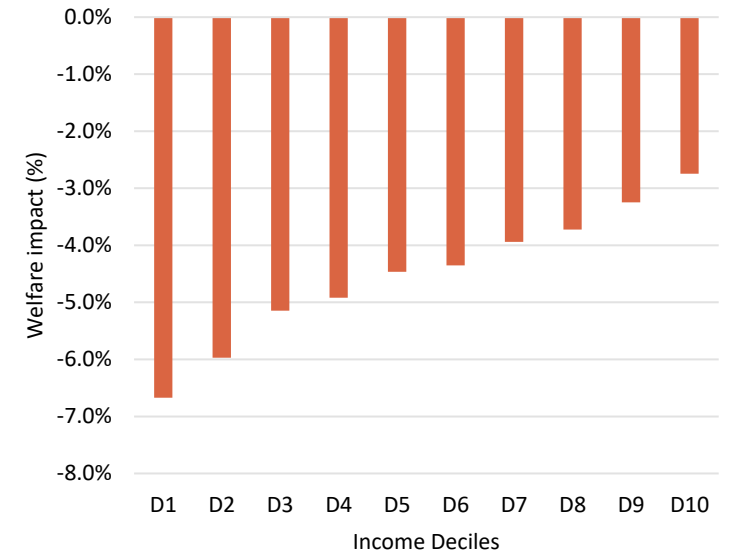
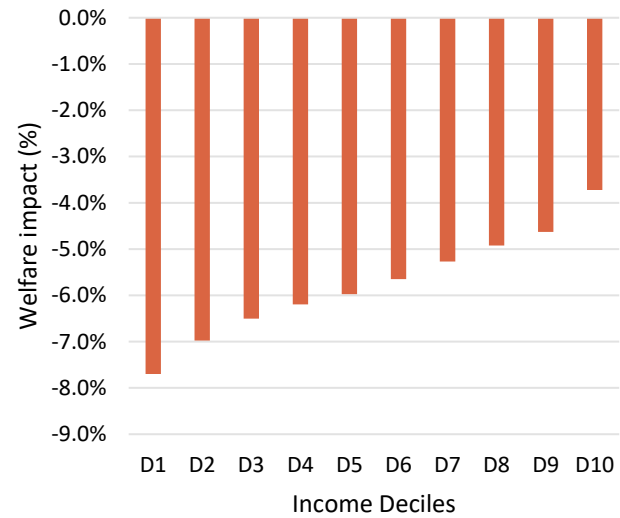
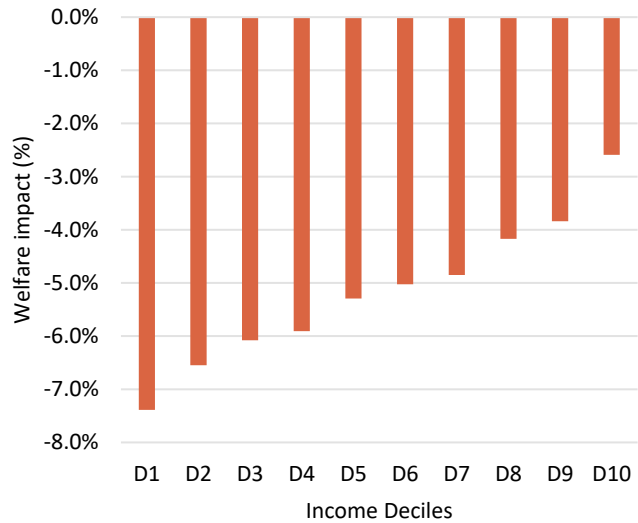
- Following the 2022 energy crisis, several measures were adopted at the EU & national levels to shield both energy intensive industries and **families**
- **At Member State level, 657 billion euros were allocated to finance these measures**
 - similar given their contextualisation within the framework agreed at the EU level
 - differ between MS, according to their national, budgetary, and governmental realities

Results

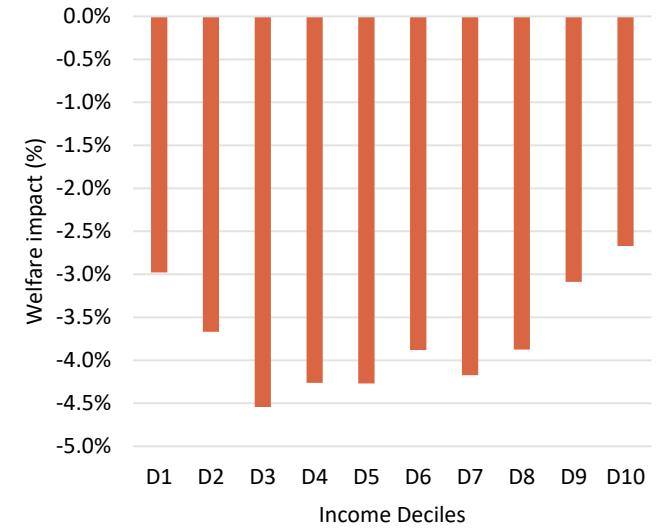
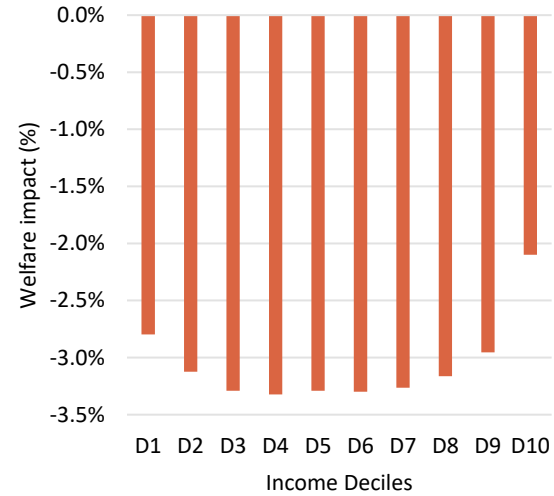
Broad results from the microsimulation model using household data

- There was a **regressive distributional impact of the 2022 energy crisis**
- The **impact on welfare varied across Member States**
- Energy consumption patterns and impacts tend to be **income-, gender-, age-, and location-dependent**

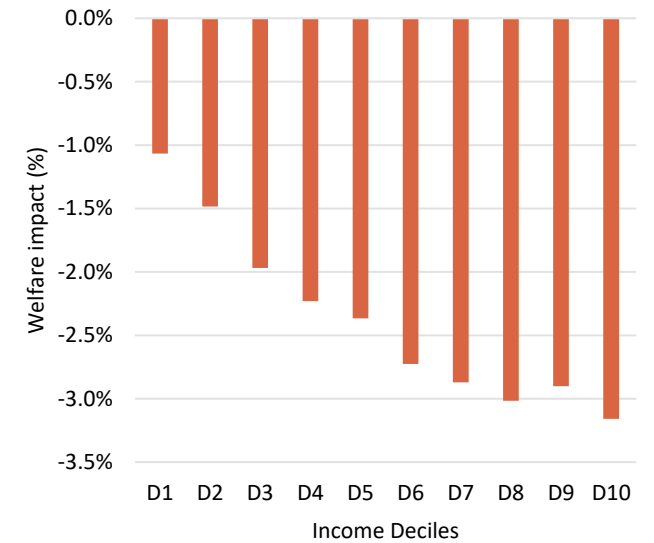
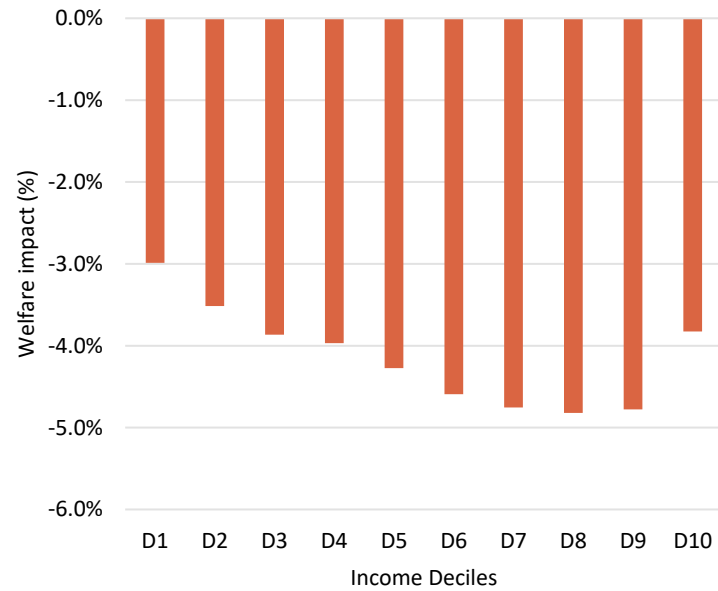
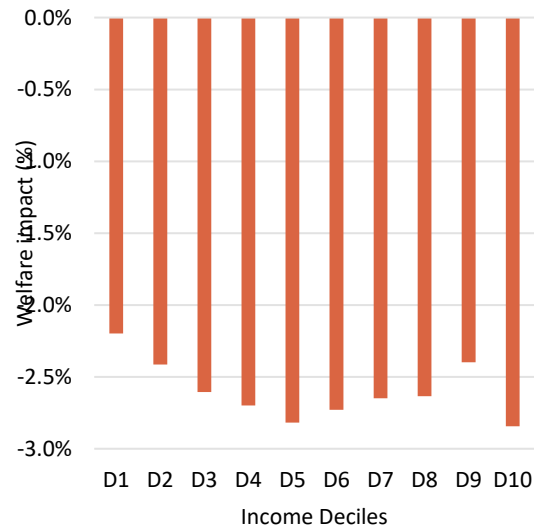
Income-dependency: Welfare impacts on Western countries affected more for electricity prices Belgium, the Netherlands, Italy: clear regressive pattern



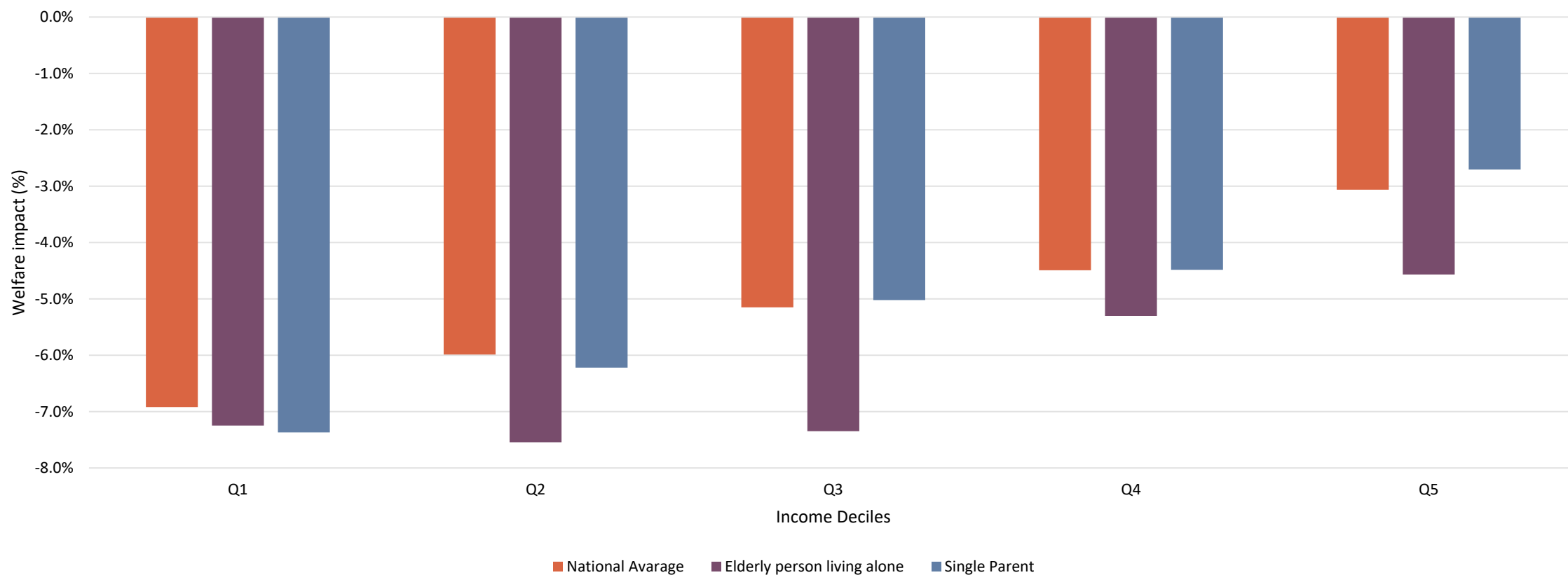
Income-dependency: Welfare impacts on Western countries affected more for fuel prices France, Germany, Sweden



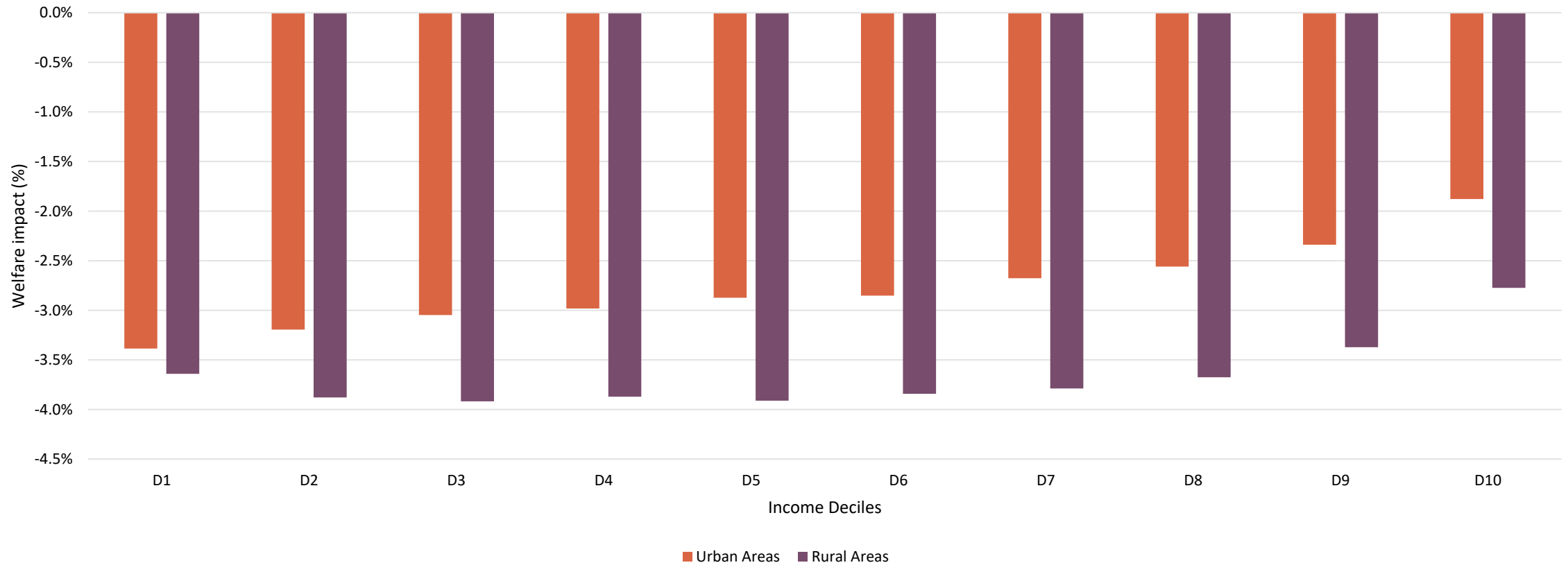
Income-dependency: Welfare impacts on Central and Eastern MS affected more for fuel prices Bulgaria, Poland, Romania



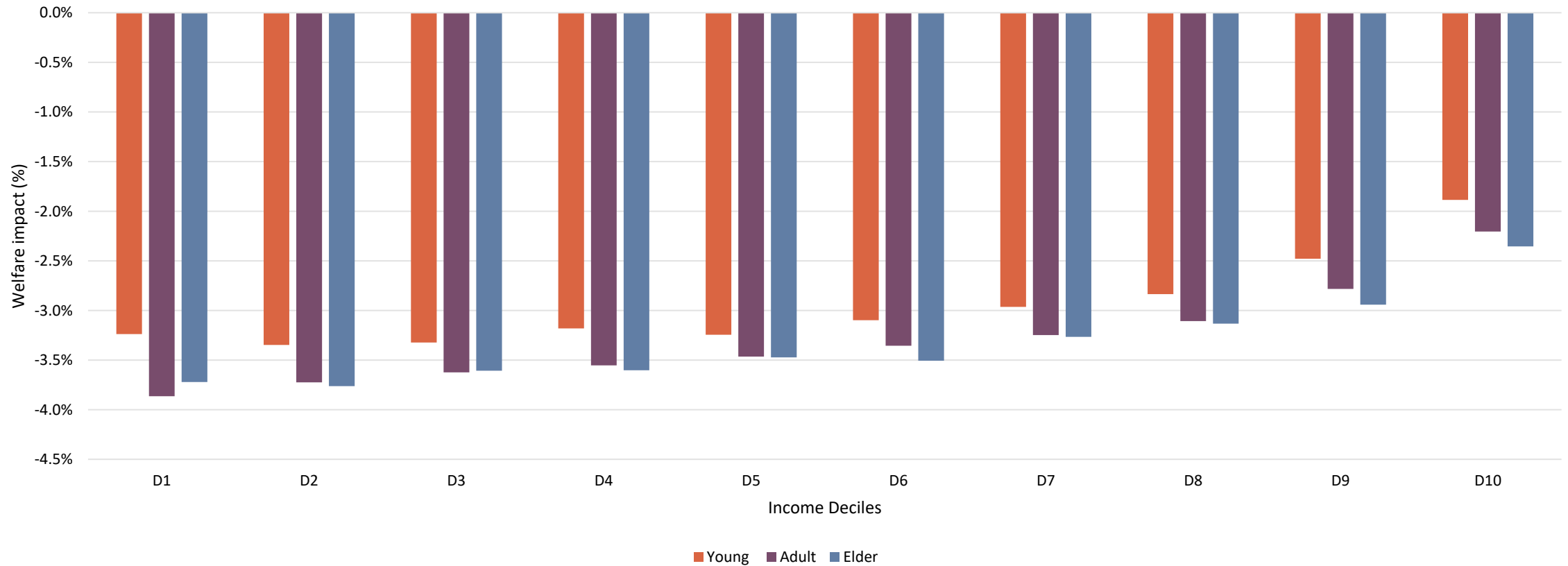
Gender-dependency: Welfare impacts (% of total expenditure) according to households higher represented by women (Belgium)



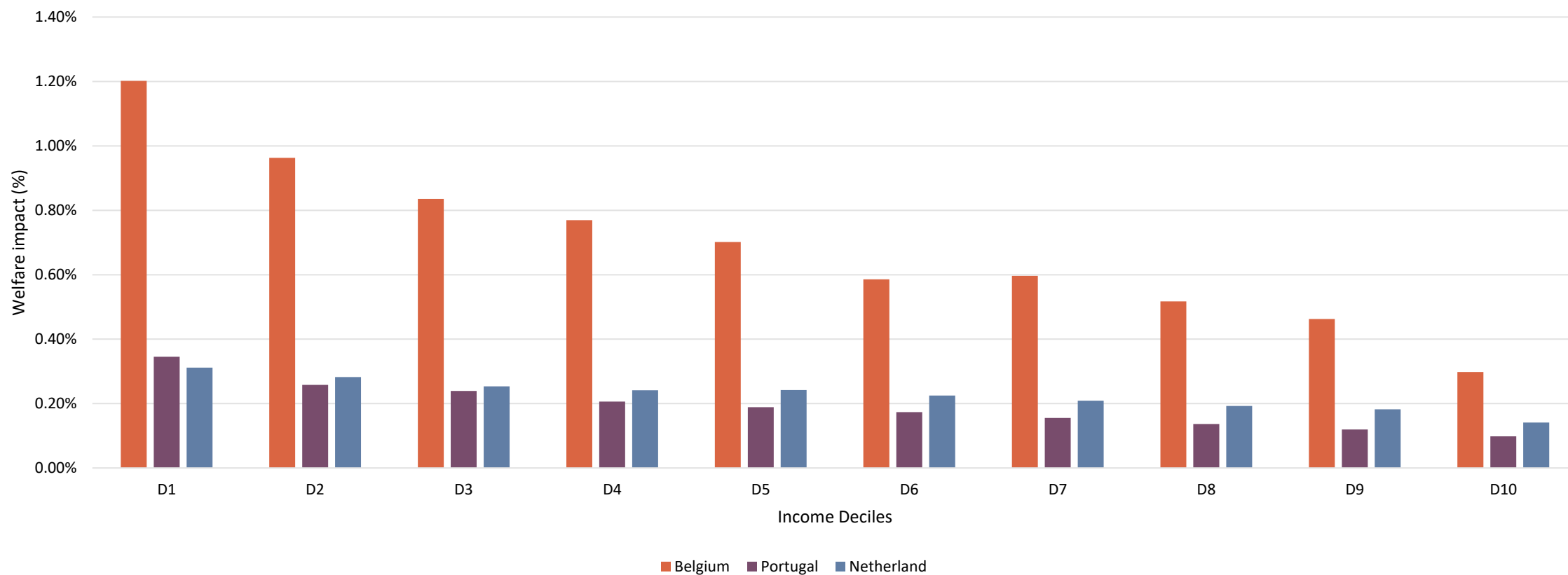
Location-dependency: Welfare impact (% of total expenditure) of households in rural vs urban areas



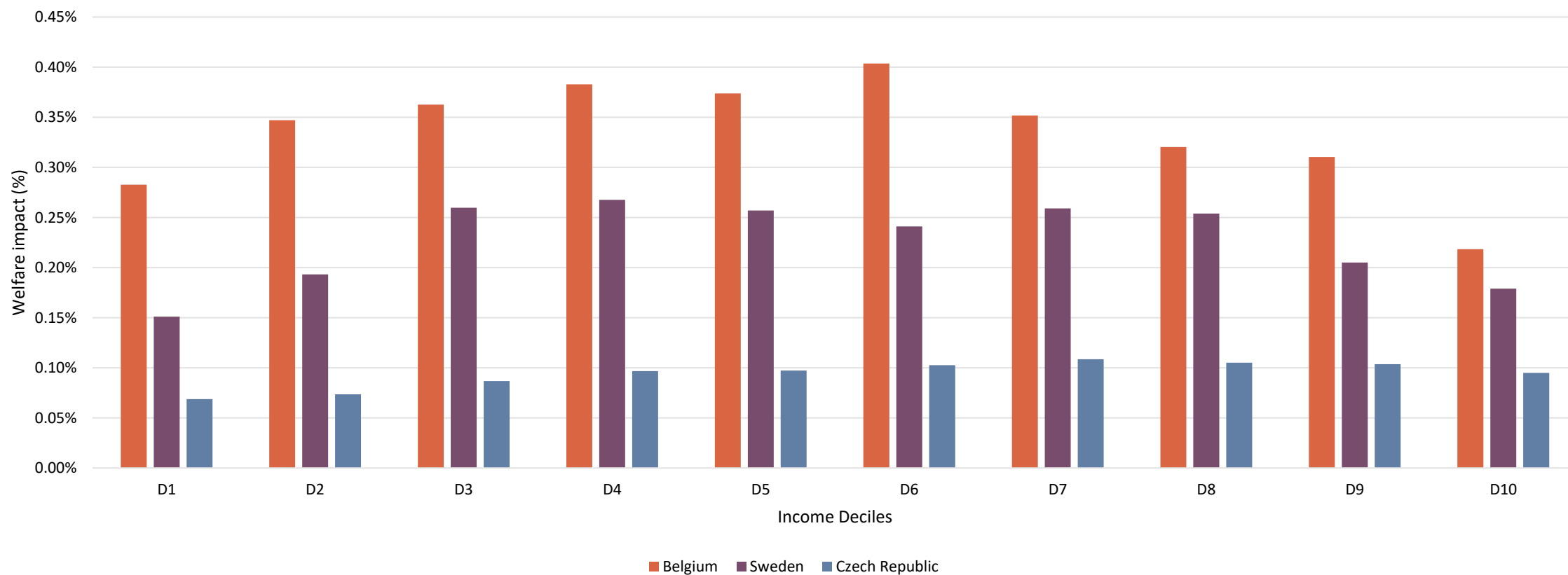
Age-dependency: Welfare impact (% of total expenditure) depending on Age of the reference person



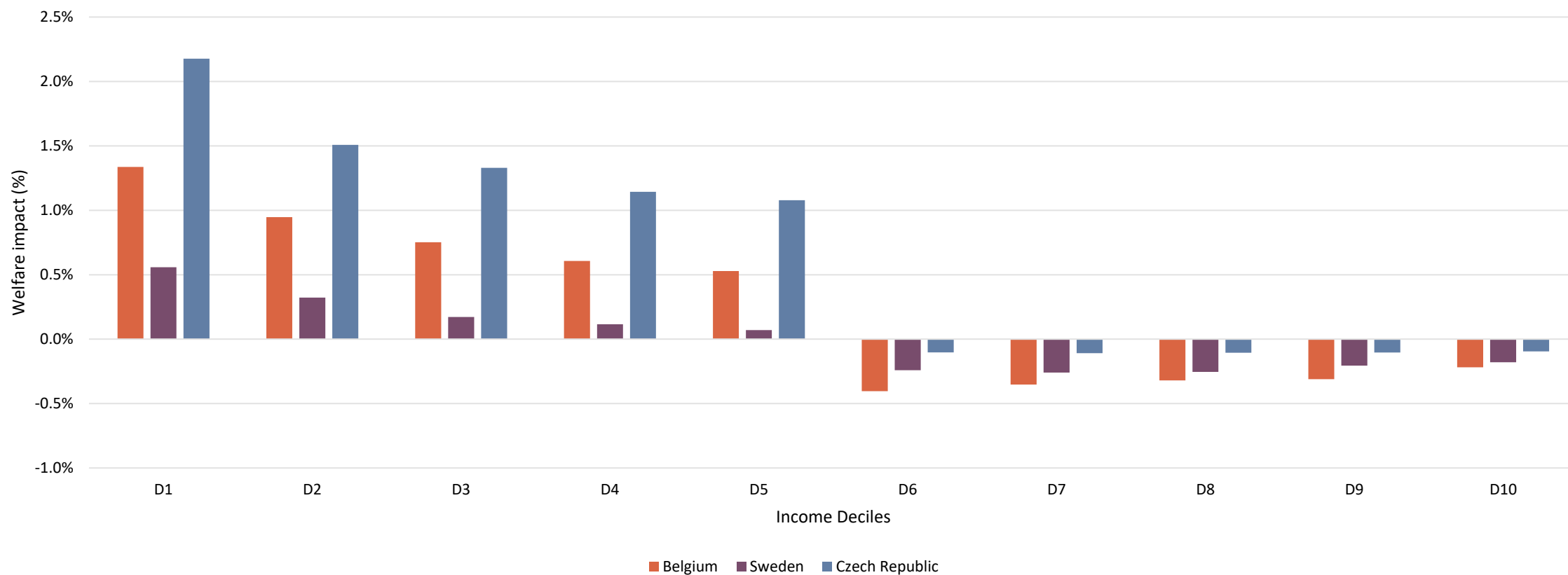
Welfare gains (% of total expenditure) due the VAT reduction on electricity in Belgium, Portugal and Netherland



Welfare gains (% of total expenditure) due the tax reduction on fuel in Belgium, Sweden and Czech Republic



Welfare gains (% of total expenditure) of direct support on 50% poorest households instead of excise duties reductions on fuel in Belgium, Sweden and Czech Republic



Policy recommendations

Policy measures to address energy poverty should

- **account for national particularities**
- consider income, gender, age, and location of the targeted groups
- **prioritise interventions to control rises in electricity prices vis-à-vis** measures to address rises in fuel prices
- **prioritise support measures in the form of direct transfers to most vulnerable groups vis-à-vis** broad support measures operated through tax reductions