

Overview of Energy Poverty in the EU

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Energy Poverty Causes (**Economic Factors**)

LOW-INCOME LEVELS

Households with low-income struggle to afford energy costs

HIGH ENERGY PRICES

Rising energy prices outpace income growth, increasing the burden on households

UNEMPLOYMENT

Unemployment leads to reduced household income, impacting energy affordability

ECONOMIC INEQUALITY

Widening inequality leaves disadvantaged groups unable to afford adequate energy

ENERGY MARKET DEREGULATION

Market liberalisation can lead to price volatility and higher consumer costs

INFLATION

General inflation, especially in energy commodities, reduces purchasing

Reference: INZEB.ORG - Causes and Consequences of Energy Poverty (2024)

Energy Poverty Causes (Infrastructure Deficits)

POOR HOUSING QUALITY

Inefficient buildings with poor insulation lead to higher energy consumption

OUTDATED ENERGY INFRASTRUCTURE

Ageing infrastructure can result in higher costs and less reliable energy supply

RURAL ISOLATION

Remote rural areas often have less access to energy networks and higher energy costs

LACK OF ENERGY RENOVATION PROGRAMMES

Insufficient government programmes to improve energy efficiency in homes

Reference: INZEB.ORG - Causes and Consequences of Energy Poverty (2024)

Energy Poverty Causes (Political & Governance Issues)

LACK OF GOVERNMENT SUPPORT

Insufficient subsidies or social support for low-income households

INCONSISTENT ENERGY POLICIES

Frequent changes in energy policies create uncertainty and discourage investment in energy efficiency

INADEQUATE REGULATION POOR

Regulation of energy markets can lead to exploitation and higher prices

INSUFFICIENT RES INTEGRATION

Slow adoption of renewables can limit access to affordable, clean energy

Reference: INZEB.ORG - Causes and Consequences of Energy Poverty (2024)

Energy Poverty Causes (Environmental Factors)

CLIMATE CHANGE

Increased energy demand during extreme weather events can strain the system and raise costs

DEPENDENCE ON FOSSIL FUELS

Heavy reliance on fossil fuels subjects countries to price volatility in global markets

NATURAL DISASTERS

Disruptions from natural disasters can affect energy supply and infrastructure

Reference: INZEB.ORG - Causes and Consequences of Energy Poverty (2024)

Energy Poverty Causes (Social & Demographic Factors)

AGEING POPULATION

Older adults often have lower incomes and higher energy needs

SINGLE-PERSON HOUSEHOLDS

Single-person households often face higher per capita energy costs

URBANISATION

Rapid urbanisation can strain existing energy infrastructure

MIGRATORY PATTERNS

Influx of migrants can increase demand and strain resources in certain areas

Reference: INZEB.ORG - Causes and Consequences of Energy Poverty (2024)

Energy Poverty Causes (Technological Factors)

ENERGY-INTENSIVE INDUSTRIES

High demand from energy-intensive industries can drive up costs for households

SLOW ADOPTION OF TECHNOLOGIES

Delay in adopting new technologies keeps energy consumption high

Reference: INZEB.ORG - Causes and Consequences of Energy Poverty (2024)

Energy Poverty Causes (Market and Supply Chain Issues)

SUPPLY CHAIN DISRUPTIONS

Interruptions in the energy supply chain, due to political or economic reasons can cause price hikes

CROSS-BORDER ENERGY DEPENDENCE

Dependence on energy imports from other countries can lead to price fluctuations and insecurity

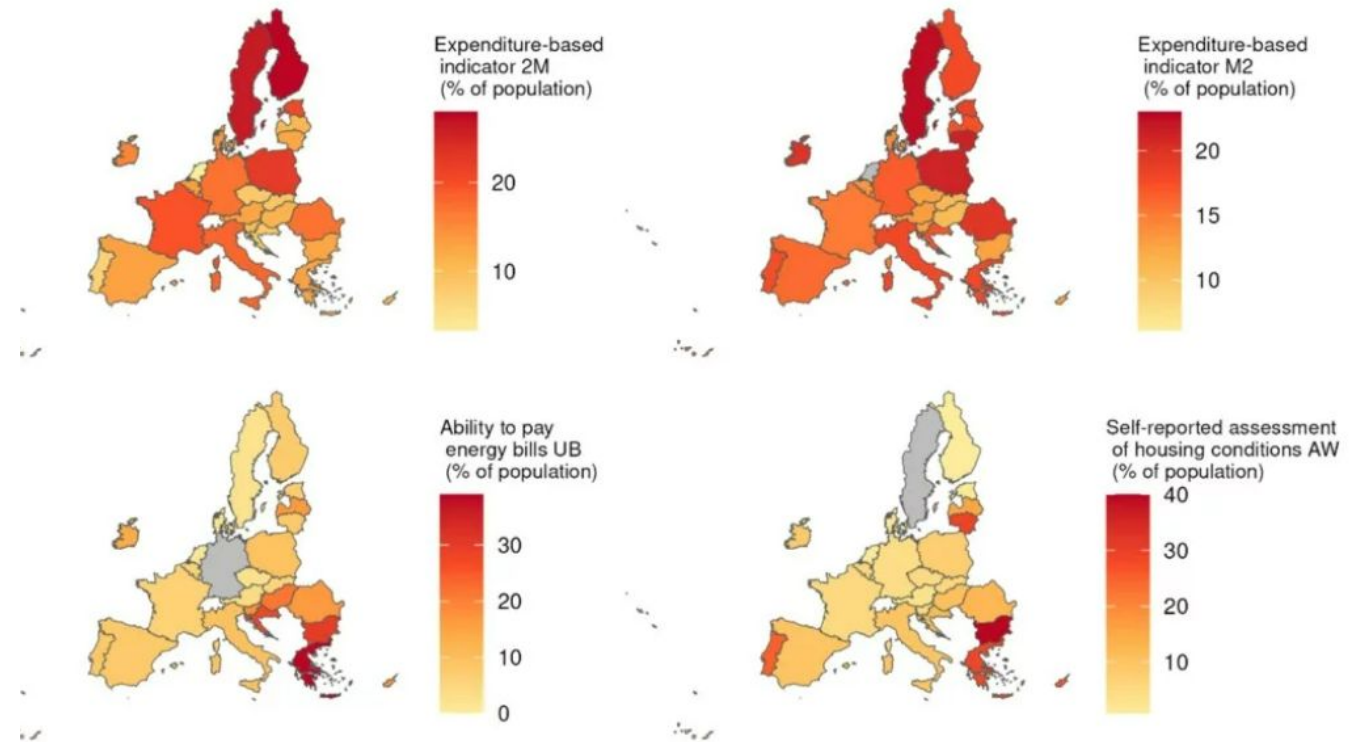
Reference: INZEB.ORG - Causes and Consequences of Energy Poverty (2024)

Energy Poverty in EU Countries

In developed countries, including the Member States of the European Union, energy poverty is perceived differently. In these countries, energy poverty mainly indicates **a permanent or temporary inability to access energy services and amenities**.

According to the European Commission, between **8% and 16%** of the EU population faces energy poverty (**35 to 72 million people**).

Not all EU countries face the same level of energy poverty, and the assessment depends on the indicators used. For example, the map shows that more than 20% of the population cannot adequately heat one's home in **Portugal, Bulgaria, Greece, and Lithuania**.



Reference: European Commission Joint Research Centre 2024

Energy Poverty Definition

ENERGY VULNERABILITY

A broader and more dynamic concept of energy poverty. It refers to the **sensitivity** of a household to experience energy poverty in the event of changes in **internal conditions**, such as **job loss**, or **external conditions**, such as an **economic crisis**.

Under such circumstances (internal or external), energy poverty can be viewed as a **temporary state of deprivation**, meaning that households may **enter and exit** this situation at specific points in time.

Tirado Herrero et al., 2016)

STRUCTURAL VULNERABILITY

This term refers to the **political and socioeconomic conditions** of countries that determine the level of protection provided by states to their populations in the event of changes in internal or external conditions that may lead households into energy poverty.

(Recalde et al., 2019)

Energy Poverty Definition

The **revised Energy Efficiency Directive (EED)** introduces a new provision (**Article 2, Paragraph 52**) that defines **energy poverty** as:

“The lack of access of a household to essential energy services that enable basic levels and decent standards of living and health, including adequate heating, hot water, cooling, lighting, and energy to power appliances, within the relevant national context, existing national social policy, and other related national policies, caused by a combination of factors, including at least energy affordability, insufficient disposable income, high energy costs, and poor energy efficiency of housing.”

This can be considered the **first official definition** of energy poverty at the EU level. The **revised Energy Efficiency Directive (EU/2023/1791)**, published in the Official Journal on **September 20, 2023**, significantly raises the EU's ambitions regarding **energy efficiency**.

Energy Poverty Dimensions

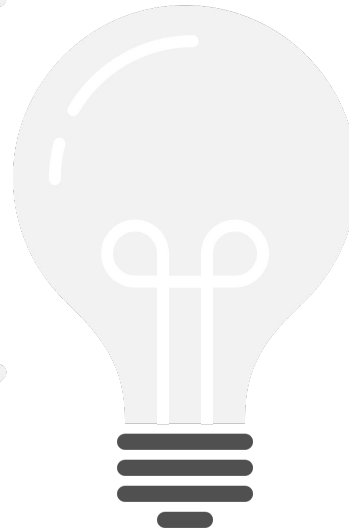
ECONOMIC IMPACTS

**INCREASED
FINANCIAL
BURDENS**

**HOUSEHOLDS
MAY DIVERT
MONEY FROM
OTHER
ESSENTIALS TO
PAY
FOR ENERGY**

**REDUCED
ECONOMIC
PRODUCTIVITY**

**ENERGY POVERTY
CAN LIMIT
INDIVIDUALS'
ABILITY TO WORK,
PARTICULARLY IN
EXTREME COLD OR
HEAT**



**HOUSING
MARKET
IMPACTS**

**PROPERTIES IN
ENERGY-POOR
AREAS MAY
DECLINE IN
VALUE**

**INCREASED
DEBT LEVELS**

**HOUSEHOLDS
MAY INCUR DEBT
TO COVER
ENERGY BILLS**

Reference: INZEB.ORG - Causes and Consequences of Energy Poverty (2024)

Energy Poverty Dimensions

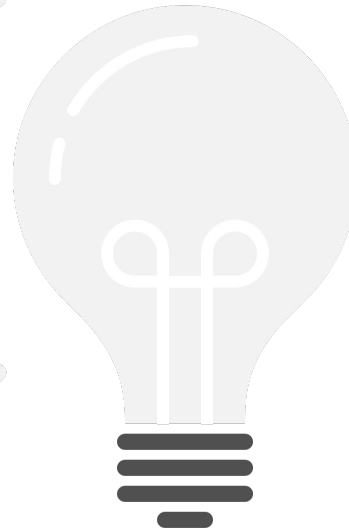
PHYSICAL HEALTH IMPACTS

RESPIRATORY DISEASES

**INCREASED
EXPOSURE TO
COLD AND DAMP
ENVIRONMENTS
CAN
EXACERBATE
RESPIRATORY
CONDITIONS**

CARDIOVASCULAR DISEASES

**COLD HOMES ARE
LINKED TO HIGHER
RATES OF HEART
DISEASE AND
STROKES**



CHRONIC ILLNESSES

**PROLONGED
EXPOSURE TO
COLD CAN
WORSEN
CHRONIC
ILLNESSES,
REDUCING
OVERALL
HEALTH AND
WELL-BEING**

INCREASED MORTALITY RATES

**ENERGY POVERTY
IS ASSOCIATED
WITH HIGHER
MORTALITY RATES
DURING WINTER
MONTHS**

Reference: INZEB.ORG - Causes and Consequences of Energy Poverty (2024)

Energy Poverty Dimensions

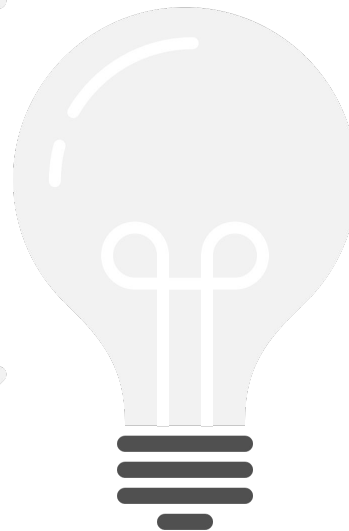
MENTAL HEALTH IMPACTS

STRESS AND ANXIETY

**THE FINANCIAL
STRAIN OF
PAYING HIGH
ENERGY BILLS
CAN LEAD TO
STRESS AND
ANXIETY**

DEPRESSION

**LIVING IN COLD
AND DAMP
CONDITIONS IS
LINKED TO HIGHER
LEVELS OF
DEPRESSION**



SOCIAL ISOLATION

**INABILITY TO
AFFORD
HEATING CAN
PREVENT
PEOPLE FROM
INVITING
OTHERS INTO
THEIR HOMES,
LEADING TO
ISOLATION**

COGNITIVE DECLINE

**COLD-INDUCED
STRESS AND
POOR LIVING
CONDITIONS CAN
CONTRIBUTE TO
COGNITIVE
DECLINE,
PARTICULARLY IN
OLDER ADULTS**

Reference: INZEB.ORG - Causes and Consequences of Energy Poverty (2024)

Energy Poverty Dimensions

CHILDHOOD HEALTH IMPACTS

IMPAIRED DEVELOPMENT

**CHILDREN IN ENERGY-POOR
HOUSEHOLDS MAY EXPERIENCE
DELAYED PHYSICAL AND
COGNITIVE DEVELOPMENT**



INCREASED ABSENTEEISM FROM SCHOOL

**POOR HEALTH DUE TO COLD
HOMES CAN LEAD TO HIGHER
ABSENTEEISM, AFFECTING
EDUCATION**

Reference: INZEB.ORG - Causes and Consequences of Energy Poverty (2024)

Energy Poverty Dimensions

ELDERLY HEALTH IMPACTS

REDUCED MOBILITY

**COLD CONDITIONS CAN
EXACERBATE ARTHRITIS AND
OTHER CONDITIONS THAT LIMIT
MOBILITY**



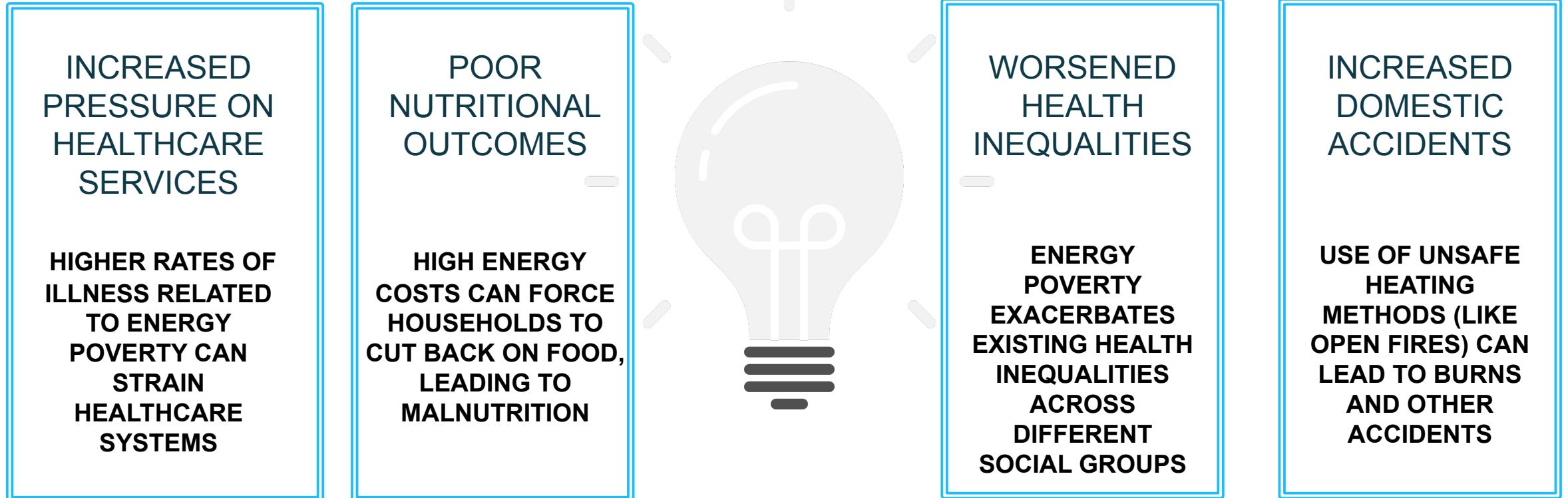
COGNITIVE IMPAIRMENT

**COLD-INDUCED STRESS CAN
LEAD TO OR WORSEN COGNITIVE
IMPAIRMENT IN THE ELDERLY**

Reference: INZEB.ORG - Causes and Consequences of Energy Poverty (2024)

Energy Poverty Dimensions

OVERALL COMMUNITY HEALTH IMPACTS



Reference: INZEB.ORG - Causes and Consequences of Energy Poverty (2024)

Energy Poverty Dimensions

POLITICAL & GOVERNANCE IMPACTS

POLICY CHALLENGES

**ENERGY POVERTY PRESENTS
CHALLENGES FOR POLICYMAKERS
IN BALANCING ENERGY
AFFORDABILITY AND
ENVIRONMENTAL GOALS**



PUBLIC TRUST

**PERCEIVED FAILURES TO
ADDRESS ENERGY POVERTY
CAN ERODE TRUST IN
GOVERNMENT INSTITUTIONS**

Reference: INZEB.ORG - Causes and Consequences of Energy Poverty (2024)

Main Indicators to Assess Energy Poverty

EPAH indicators are organised by topics for each European country.

In this indicators collection, EPAH uses publicly available EU-wide datasets, so anyone may find that some data is unavailable for specific years or countries due to the timeline of data collection for such datasets, their geographical coverage or the update at the EU level of these statistics.

Reference: <https://energy-poverty.ec.europa.eu/epah-indicators#>



Climate



Housing



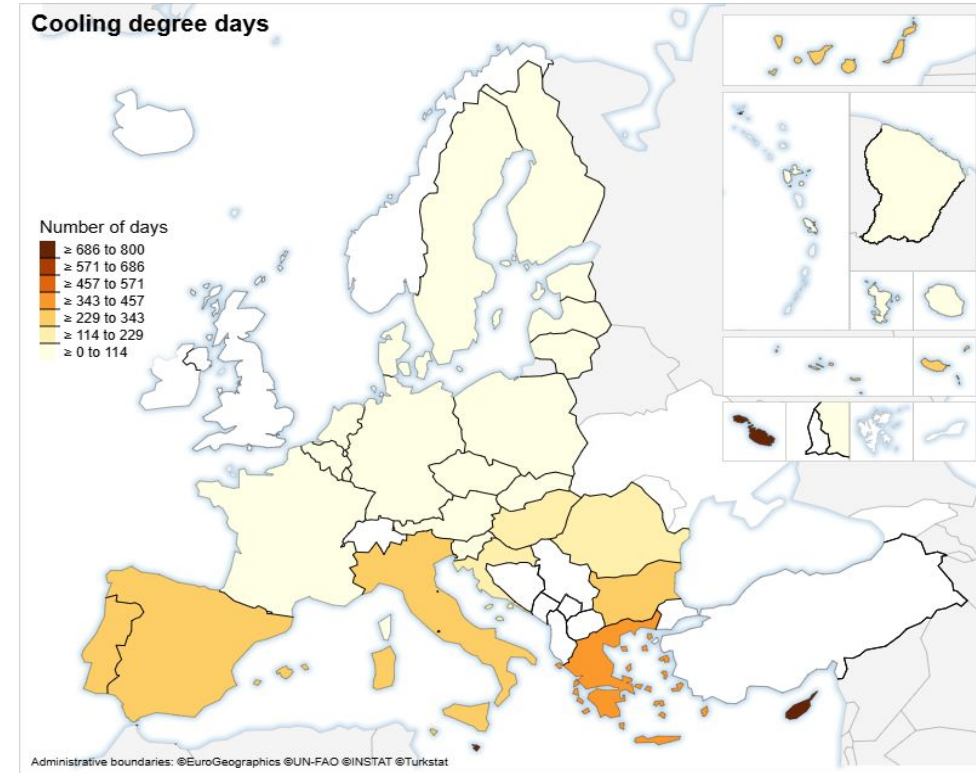
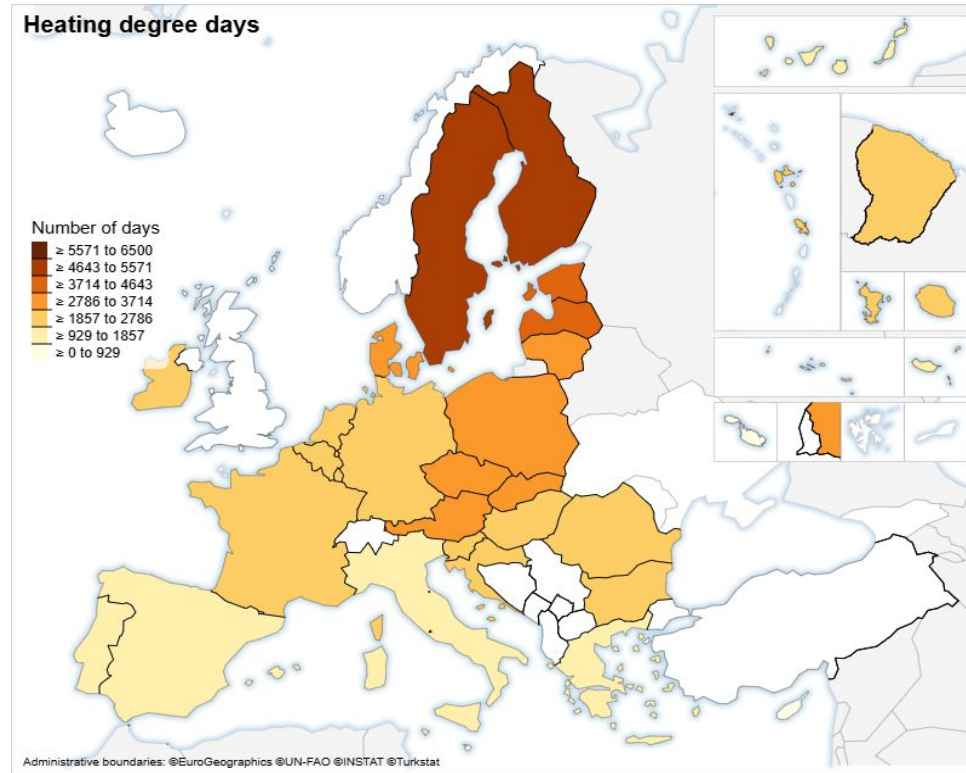
Mobility



Social – Economic

Data available by Topic / Indicator / Country

Main Indicators to Assess Energy Poverty



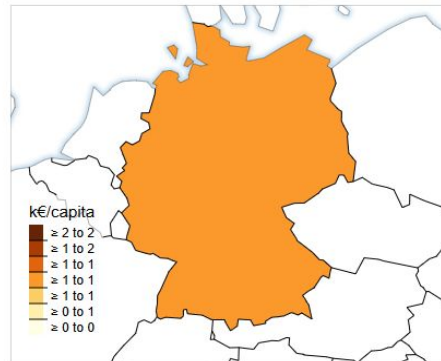
Reference: <https://energy-poverty.ec.europa.eu/epah-indicators#>

Main Indicators to Assess Energy Poverty

Germany (DE)



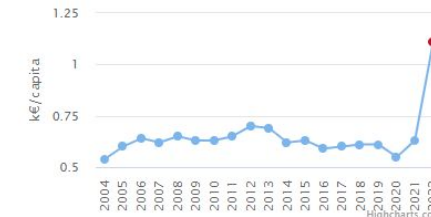
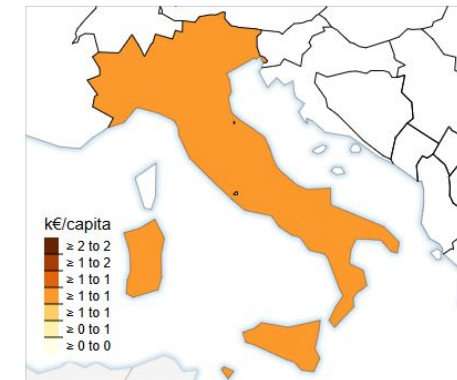
Final consumption expenditure of
households - Electricity, gas and other fuels



Italy (IT)



Final consumption expenditure of
households - Electricity, gas and other fuels



Reference: <https://energy-poverty.ec.europa.eu/epah-indicators#>



Thanks for your attention!

Q&As?



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Comparative
Research
Network:



**balkan
green
foundation**

