

# International Women's Day

## "Gender Aspects of Energy Poverty"

1 March 2023

### Background

Energy poverty, in the sense of the inability to attain a socially and materially necessitated level of domestic energy services, has been identified by research<sup>1</sup> as being due to three main factors: high energy prices, low incomes and poor energy performance of buildings.

Women and women-led households appear to be disproportionately affected by energy poverty due to structural inequalities in income distribution, socioeconomic status and the gender care gap.

In order to soften the impact of energy prices and in response to the energy price hikes, the European Commission prepared a list of available remedies in the form of the so-called '[Energy Toolbox](#)'<sup>2</sup>. The toolbox presented measures to protect consumers and industry back in October 2021 - still before the current energy instability resulting from the new geopolitical situation.

Apart from that, in July 2021 the European Commission put forward a series of legislative proposals to make its policies fit for delivering the updated 2030 greenhouse gas emissions net reduction target of 55% below 1990 levels, as set out in the [2030 Climate Target Plan](#) and written into the [European Climate Law](#).

[The Fit for 55 legislative proposals](#) cover a wide range of policy areas including climate, energy, transport and taxation, setting out the ways in which the Commission will reach its updated 2030 target in real terms.

In the course of 2022, the global context of energy supplies changed. A combination of higher energy, transport and food prices caused by the current energy market instability is likely to exacerbate the risk of energy poverty and could lead to increasing gender inequalities. In this new context, the European Commission presented its [REPowerEU Plan](#) – the joint European action for more affordable, secure and sustainable energy, presented in May 2022.

This briefing was prepared for the event organised by the European Parliament's Committee on Women's Rights and Gender Equality at the occasion of International Women's Day (IWD), which this year elaborates on "*the gender aspects of energy poverty*". It points out the initiatives of the three European institutions - the European Parliament, the Commission and the Council - in this regard. It also highlights the relevant aspects of [the study "The Gender Dimension and Impact of the Fit for 55 Package - commissioned by the European Parliament"](#) - including its recommendations, related to the theme of this year's IWD.

<sup>1</sup> [https://www.europarl.europa.eu/RegData/etudes/STUD/2022/736899/IPOL\\_STU\(2022\)736899\\_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/STUD/2022/736899/IPOL_STU(2022)736899_EN.pdf)

<sup>2</sup> European Commission, 2021e, Tackling rising energy prices: A toolbox for action and support. Available at: [https://ec.europa.eu/commission/presscorner/detail/en/fs\\_21\\_5213](https://ec.europa.eu/commission/presscorner/detail/en/fs_21_5213)



## The European Parliament as a promoter of energy and climate justice

The European Parliament has made a number of statements in respect of gender equality, climate change and energy. For example, [the resolution of 16 January 2018 on women, gender equality and climate justice](#) recognises that gender equality is a prerequisite for sustainable development and the efficient management of climate challenges. The resolution calls on the Commission, and the DGs responsible for gender equality, development, energy and climate, to include gender equality in a structured and systematic manner in their climate change and energy policies for the EU. Equally, it considered that the three financial mechanisms under the The United Nations Framework Convention on Climate Change (UNFCCC) – the Green Climate Fund (GCF), the Global Environment Facility (GEF) and the Adaptation Fund (AF) – should unlock additional finance for more gender-responsive climate investment policy.

In 2022, several strong statements were made by the European Parliament relating to gender equality and the energy transition. In its [resolution of 17 February 2022](#), the Parliament recognised that women still face structural and cultural barriers to participation in all **aspects of delivering the energy and climate transition**.

In its [resolution of 5 July 2022 on women's poverty in Europe](#), the Parliament called on the Member States to do a regular work on collecting and analysing disaggregated data when designing or evaluating their policies and practices in order to gather information and figures on the situation of women in specific precarious conditions, such as women suffering from energy precariousness, and the digital divide.

It also called on the EU and the Member States to protect women living in energy poverty by providing a timely and coordinated response to address the long-term impact of the energy crisis and it highlighted that access to affordable utilities must be guaranteed to low-income households, and in particular to older women and single mothers.

## Gender Impact Assessment of the Fit for 55 Package

In order to examine the specific situation faced by women, the European Parliament published a [Study](#), which looks into the proposed measures by the Commission - specifically into the [FIT for 55 package](#).

It examines whether a gender-sensitive approach was used when preparing the proposal and whether a gender-sensitive approach exists in its policy formulation. Apart from the policy recommendations, the Study also offers examples at the Member State level of good practice in terms of addressing the gender impacts of measures to compensate for the increase in energy prices experienced in 2022.

Its findings will be further elaborated in the sections below.

### Fit for 55 in the context of gender equality

[The European Green Deal](#) (EGD), approved in 2020, combines a comprehensive set of mutually reinforcing measures and initiatives aimed at achieving climate neutrality in the EU by 2050. The aim of the Green Deal is to protect the health and wellbeing of EU citizens from environment-related risks and impacts. An impact assessed plan aims to increase the [EU's greenhouse gas emission](#) reductions target for 2030 to at least 50% and towards 55% compared with 1990 levels. The plan is to review each existing law on its climate merits, and also introduce new legislation on the [circular economy](#), [building renovation](#), [biodiversity](#), farming and [innovation](#).

Looking at this from the perspective of various groups in the society, there is increasing recognition within the European Parliament and the European Commission that the risks and impacts are experienced

differently by women and men, with some recognition of other disadvantaged groups, such as older people, persons with disabilities and persons with a minority racial or ethnic background.

Member States are also **encouraged to integrate gender equality and gender mainstreaming** in the preparation and implementation of their **National Energy and Climate Plans** (NECPs) and to report on progress in their biennial progress reports.

In its resolution of 5 July 2022, on women's poverty in Europe, the Parliament called on the EU and the Member States to **protect women living in energy poverty** by providing a timely and coordinated response to address the long term impact of the energy crisis.

Equally, the resolution recommends that the Fit for 55 package and [the social climate fund](#) should be **designed and implemented with a clear gender dimension**, so that they benefit women as equally as they benefit men. Despite this high-level recognition, gender mainstreaming remains relatively rare in policymaking.

In particular, women form the majority of the elderly people to be affected by such policies, which indicates that these initiatives are lacking in gender-awareness.

One of the possible responses to mitigate this criticism would be to introduce gender impact assessments as a practical tool used as part of policymaking. Such assessments should be carried out within an intersectional framework to analyse various aspects of **the energy transition and their impacts on women and on the promotion of social equality**.

## Energy poverty

The proposal for a [recast Energy Efficiency Directive](#) (EED) contains a new provision (article 2(49)) that defines energy poverty as *'a household's lack of access to essential energy services that underpin a decent standard of living and health, including adequate warmth, cooling, lighting, and energy to power appliances, in the relevant national context, existing social policy and other relevant policies'*. The Proposal for a [Climate Fund Regulation](#) will use the definition agreed in the EED recast. While energy poverty is mentioned within the Fit for 55 initiatives, only the proposal for a [recast Energy Efficiency Directive](#) disaggregates the social categories of citizens experiencing energy poverty.

However, there is currently **no binding definition** of energy poverty employed across the EU.

Member States develop their own criteria, with guidance from the Commission, relevant to the national context. However, if there is no coherence in the criteria across the EU, a cross comparison between Member States is difficult if not impossible.

The criteria chosen to monitor energy poverty influence the nature of the data collected. The causes, experiences and coping strategies of **'vulnerable people'** - the term widely employed in the related Commission's legislative proposals - living in energy poverty are complex and difficult to reduce to a single numeric.

Vulnerable people are not a homogeneous group, which requires an understanding of their differentiated situations so that appropriate measures can be put in place. Such an understanding requires the data collected to be disaggregated not only by gender but across a range of social characteristics.

The Council of the European Union, in its September 2022 [Draft Conclusions](#) on 'Gender equality in disrupted economies', prompted Member States to collect and disseminate age and gender-disaggregated data on energy poverty as well as promote gender mainstreaming in all policies related to energy poverty.

The European Commission has recently taken steps to create a more unified approach to addressing energy poverty by establishing an [Energy Poverty Advisory Hub](#), which has published three handbooks together with an introductory guide to understanding and addressing energy poverty.

The Introductory Guide mentions that personal factors play a role in energy poverty. The examples of personal factors given are age, health status and household composition. Gender is not listed as a personal factor, in fact it is not mentioned anywhere in the document. Although the [Energy Poverty Advisory Hub](#) website includes a list of suggested indicators to measure energy poverty, there are no recommendations about disaggregating the data across a range of social characteristics.

On the Energy Poverty Advisory Hub Website there is [a document](#) produced by [the Covenant of Mayors for Climate and Energy Europe](#) that includes reporting guidelines on energy poverty. These guidelines contain a list of social characteristics that can be used to describe vulnerable population groups, including women and girls, to be targeted as part of actions to address energy poverty.

### The social impact of energy poverty

Looking at this aspect from a **public health perspective**, energy poverty also has impacts on mental health.

A Public Health Survey in Barcelona, **Spain**, based on self-reported data, found that women who are considered to be living in energy poverty report poor mental health 1.9 times more frequently than women who are not living in energy poverty. The figures for men show poor mental health being cited 2.1 times more often by men living in energy poverty than by men not living in energy poverty.

Living in inadequately heated or cooled homes is also linked to increased stress, reduced wellbeing and depression.

One of the factors that influence vulnerability to energy poverty is **income poverty**, the definitions of which vary between Member States. [The EIGE](#) has already described the gender dimensions of income poverty and identified the need to take a more intersectional approach to data gathering and analysis.

As of 2020, it was estimated that 23.3% of women and 21.6% of men in the EU were at risk of **income poverty with the gender gap increasing with age**. The EIGE also reports that, if gender is intersected with other social characteristics, then the data analysis provides a more complex picture of income poverty for people living within the EU. For example, if you are born outside the EU, you have a significantly greater risk of poverty than if you are born within the EU.

[Eurostat data](#) for 2019 shows that the likelihood of monetary poverty in the EU-27 was approximately twice as high for foreign citizens (32%) as it was for national citizens (15%).

In terms of women living in the EU, those born outside the EU are more than twice as likely to be at risk of poverty than are women born within the EU. Your ethnicity can also increase your vulnerability. For example, 80% of Roma people live below their country of residence's poverty threshold.

[According to EIGE](#), women with disabilities experience increased vulnerability to income poverty because of the challenges faced in finding employment and being able to pay energy bills.

Equally, single parent households, estimated to total 7.8 million in the EU in 2020, according to [Eurostat](#), are considered vulnerable to energy poverty when this is linked to income poverty. The income of single mothers is influenced by them either not working or, when they are in work, it is often part-time.

**In Germany**, even before the introduction of the carbon pricing, more than one fifth of all single parents reported that they experienced housing costs as a high burden. There is a gender dimension to this burden.

Data for Germany show that, in 2021, of all single-parent households living in income poverty, 84.4% were headed by single mothers and 15.6% by single fathers (Statistisches Bundesamt et al. (2021) cited in Röhr 2021:5).

The revenue raised through carbon pricing could be used to assist vulnerable groups to adjust to the higher carbon prices. The transfer method needs to be such that it does not negatively affect other welfare payments, particularly where Member States consider energy poverty to be due to low income as, for example, in **the Netherlands** (Feenstra 2021).

**Personal tax credits** would not benefit a significant number of women whose income is below the tax threshold. Making benefit payments to the household, as a unit, assumes that members of a household pool their income and share expenses equitably, and fails to consider how control over resources within the household is exercised. This situation may render women more vulnerable in households where only the man earns an income and makes all the decisions. Therefore, payments should be made to individuals rather than to household.

In an attempt to illustrate how different measures result in variations in the calculated poverty level, researchers in Catalonia showed that, when disaggregating poverty levels only by gender, 18.8% of men and 19% of women were at risk of poverty. However, when taking autonomy into account, 25.7% of men and 49.7% of women could be classified as at risk (Lieu et al. 2020).

While the [Social Climate Fund](#) can help low-income households, without good, disaggregated data about the extent of the support needed, it is possible that the Fund will be insufficient to meet needs.

### Rising energy prices and their impact on energy poverty

As mentioned above, in October 2021, the European Commission announced a "[toolbox](#)" of measures to assist Member States in responding to rising energy prices to support vulnerable households and small businesses. While these measures are welcome, it is predicted that the number of households in energy poverty will increase and may well be underestimated depending upon which metric is used<sup>3</sup>.

Reliance on **a metric for energy poverty** based on a specified percentage of household income being spent on energy, would not classify a person whose energy bill was below that percentage but was not able to satisfy their basic needs, such as being able to adequately heat or cool their homes, as living in energy poverty. In addition, a numeric metric fails to correctly portray the significance of a household exhibiting a reduction in energy use.

Such reductions might not be a result of purchasing more energy efficient equipment or upgrading insulation, but a consequence of behavioural changes by household members. The situation for those already regarded as vulnerable, particularly single parents, retired people and those with health conditions, will worsen in terms of stress related to paying bills and social exclusion.

Therefore, the proposal to recast the Energy Efficiency Directive (EED) mentioned above, for a more differentiated definition linked to access to energy services, can be seen as a positive step towards a better understanding of how citizens experience energy poverty.

<sup>3</sup> There are at least three types of metrics for measuring energy poverty: (i) the most commonly used metric is one which relates to a specified level of household income spent on energy (e.g. 10%); (ii) a consensual approach, which makes use of self-reported experiences of people living in energy poverty. This approach is used in France where a person is considered to be living in energy poverty if, in his/her accommodation, there are particular difficulties in having a sufficient energy supply to satisfy his/her basic needs; (iii) an outcome-based approach based on which individuals or households are able to adequately heat or cool their homes (Feenstra and Clancy 2020)

## Gender Mainstreaming – doing it better

The [Study](#) concludes with a number of recommendations:

### **The European Commission's DG Energy should develop a gender action plan for addressing energy poverty**

Gender Action Plans (GAPs) are a recognised tool for implementing a gender mainstreaming strategy.

The European Parliament could call on DG Energy to develop a GAP that addresses the gender dimensions of energy poverty to ensure that policies are socially inclusive. Such a GAP would set a benchmark for Member States and other energy sector organisations to follow.

The EIGE has developed a toolkit for political institutions to develop a gender mainstreaming strategy and GAPs.

### **National Energy and Climate Plans (NECPs) should be required to include a Gender Impact Assessment (GIA)**

The NECPs can provide a useful avenue for Member States to analyse how Fit for 55 can ensure that all social groups are treated fairly in the energy transition and in response to the exceptionally high energy prices. There is a concern that some Member State governments are not taking ownership of these plans and not providing the necessary leadership on energy transition measures, including the gender and social inclusion dimensions for regional and local governments. To achieve a more gender just and socially inclusive energy transition, we recommend that NECPs be required to include a Gender Impact Assessment (GIA).

A gender analysis, which forms the basis of such an assessment, can provide a useful entry point for promoting a just and socially inclusive energy transition, particularly if an intersectional perspective is taken. The following three recommendations include some advice on how to ensure that the outcomes of GIAs are implemented.

### **Eurostat and Member States should collect gender-disaggregated intersectional data**

First, a gender analysis needs disaggregated data. As indicated above, such data are scarce – particularly across different demographics such as age and ethnicity. The European Court of Auditors has also criticised the lack of gender-disaggregated data for hindering the analysis of gender mainstreaming (European Court of Auditors 2021). [The study](#) pointed out that there are European citizens whose situation is overlooked, either in respect of their experiences of energy poverty or as regards their knowledge that could contribute to making the European Green Deal a success. Consequently, they are not given the opportunity to contribute to policymaking. GIAs tend to be based on qualitative data. The evidence indicates that programme managers view such data with scepticism and doubt the objectivity, which can result in the GIA not being implemented. A perception is then created that GIAs are costly and of questionable value. To overcome such resistance, both quantitative and qualitative data are needed.

### **Member States should strengthen broader participation in developing and implementing energy poverty mitigation strategies in NECPs**

The responsibility for developing policies to address energy poverty within Member States lies at the national level, while much of the responsibility for implementing these policies lies at the regional and local levels of government. As we observed above, women still do not have equal influence over policy formulation. Member States therefore need to adopt consultation strategies that ensure that a broader range of organisations are consulted to develop more socially inclusive policies.



The City of Malmö, **Sweden**, provides a good example of a gender and socially inclusive approach in its development of its transport strategy. For example, consulted organisations should be asked to indicate, beyond statements on members' demographics in percentages, how they are socially inclusive in their own operations. Civil society organisations provide good sources for reaching broader demographics. Not relying solely on social media to deliver messages about the energy transition will increase the possibility of informing hard-to-reach end-users, particularly those in older age groups, about the help available to assist them in benefitting from the energy transition. The capacity of the various levels of government to deliver more gender-equal and socially inclusive policies to address energy poverty varies. Care needs to be taken to ensure that this situation does not lead to greater gender inequality and social exclusion within countries.

### **The European Commission and Member States should exchange good practices for gender mainstreaming**

The proposal for the establishment of a Social Climate Fund indicates that Member States, when preparing their Social Climate Plans, can request the Commission to organise an exchange of good practices. This can provide an entry point for gender mainstreaming and build Member States' capacity for developing more gender-responsive and socially inclusive policies to include in their National Energy and Climate Plans.

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Print ISBN 978-92-848-0230-2 | doi: 10.2861/19122 | QA-04-23-166-EN-C  
PDF ISBN 978-92-848-0231-9 | doi: 10.2861/277484 | QA-04-23-166-EN-N