

POLICY BRIEF

HOW HAVE THOSE AFFECTED BY ENERGY POVERTY RESPONDED TO THE CURRENT ENERGY CRISIS?

The war in Ukraine has prompted significant psychological, social, and economic responses across Europe, particularly in the energy sector, where energy security has emerged as a central challenge and prices have surged. Disruptions to natural gas and oil supplies from Russia have driven governments to revise energy policies, while citizens have adapted their behaviour, spurring grassroots initiatives for renewable energy development. These efforts, which have included prosumer investments in photovoltaic systems and the adoption of alternative heating solutions such as heat pumps, signal a shift towards more localized energy sources. Decentralized renewable energy systems empower communities to take control of their energy consumption, fostering resilience – even against military threats – and independence from external energy suppliers. This shift promises not only a sustainable energy future but also a substantial reduction in electricity costs. Nevertheless, the ongoing crisis has exacerbated energy poverty for many households.

To explore these dynamics, our [research](#), supported by the International Visegrad Fund, focuses on the experiences of prosumers, heat pump users, and those facing energy poverty in the Visegrad Group (the Czech Republic, Hungary, Poland, and Slovakia). We conducted a series of focus groups and reported the results in a [policy report](#). In this policy brief, we present our aggregated findings on those impacted by energy poverty and propose a series of recommendations for policymakers.

Energy poverty is on the rise in the European Union and within the Visegrad Group. While during the 2010s the share of those living in the EU who reported that they were unable to heat their homes adequately decreased from 11.2% in 2012 to 6.9% in 2021, the number rose to 9.3% in 2022 and 10.6% in 2023 (Eurostat, 2024). Various vulnerable groups are affected by energy poverty, including the elderly, retirees, pensioners, single dwellers, and the urban precariat. Energy poverty is often linked to the broader problem of social exclusion and is the result of ineffective social policies, inadequate pension systems, poor housing conditions (e.g. insufficient insulation and outdated heating systems), and low wages.

In the Visegrad Group, those affected by energy poverty face high costs and poor heating performance, often resulting in unhealthy homes plagued by moisture and mould. Mould is a widespread problem that threatens tenants' health and damages building structures, particularly in ground-floor flats and older buildings with inadequate foundations and insulation. The poor insulation in many buildings leads to significant heat loss and inefficiencies, driving up heating costs that consume a large portion of household budgets. Focus group participants identified insulation measures as the most effective approach to reducing energy bills while maintaining comfortable indoor temperatures. While participants had some awareness of options for increasing their homes' energy efficiency, many noted a lack of information on existing support schemes.

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Some respondents also voiced criticisms of government programmes for infrastructural upgrades, such as subsidies for new boilers or more environmentally friendly heating systems.

Participants attributed high energy costs to a number of factors, including political representatives, energy companies, and even household energy appliances. Many expressed frustration with government policies, particularly those related to energy regulation and taxation, viewing domestic economic policies – such as high VAT – as compounding their financial burden. They further observed that the crisis has disproportionately impacted the most vulnerable segments of society. In Hungary, there was a strong sense that government support was inadequate compared to other countries. Those experiencing energy poverty highlighted that apartment dwellers in particular have fewer options for reducing heating bills due to the way energy consumption is calculated among tenants.

Respondents shared various strategies for managing energy costs, such as adjusting heating schedules and boiler settings, heating only when necessary, switching off unused appliances, and wearing additional layers. While heating was the primary focus, participants also recognized other energy-saving opportunities.

Recommendations:

- Launch a state-led renovation programme for social housing and buildings owned by local governments to reduce energy costs, improve tenant health, decrease energy dependence, reduce energy poverty, improve air quality, and support national climate targets.
- Adopt a comprehensive definition of vulnerable customers in the context of energy poverty and empower national regulatory authorities to impose the safeguards necessary to protect them.
- Expand existing support schemes targeted at elderly and low-income households to include advance payments for insulation and heating/solar installations.
- Develop accessible schemes that support small and micro-investments in insulation and energy efficiency. These should include prepayments, as the households most in need of such schemes often cannot afford the upfront costs and cannot wait for reimbursement.
- Prepare for the implementation of the Social Climate Fund to complement EU ETS 2 (which, as of 2027–2028, is due to include emission allowances for buildings and transport). The fund should support investments in energy efficiency measures, renovations, clean heating systems, renewable energy generation, clean mobility, and direct income support for the most vulnerable.

Source

Eurostat (2024) Inability to keep home adequately warm - EU-SILC survey. https://ec.europa.eu/eurostat/databrowser/view/ilc_mdcs01__custom_12861063/default/table?lang=en

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