



## Position paper

# Responding to the cost-of-living crisis



Based on their operational experience, National Red Cross Societies in the European Union (EU) call on the EU and Member States to:

1. Guarantee that families do not fall into poverty as a result of the increase in the cost of living.
2. Ensure that nobody is evicted from their home as a consequence of experiencing poverty due to an increase in energy and food prices.
3. Include National Red Cross Societies as vital partners to Member States in identifying integrated solutions to support households in need.
4. Invest in not-for-profit social and health service providers, such as the Red Cross, which ensure continuity of support to vulnerable groups in times of health and socio-economic crisis.

“**Growing numbers of people across Europe are forced to choose between heating their homes and addressing other essential needs.**”

# Position paper



“ National Red Cross Societies in the EU have increased and adapted support to individuals and households experiencing poverty and hardship since the 2008 economic crisis. ”

Katharina Bousska and her colleagues from the Austrian Red Cross Individual Spontaneous Assistance team offer quick and unbureaucratic help for people in need, Vienna, April 2020.  
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Understanding energy poverty in its entirety requires that we understand the barriers that cause it – factors that go beyond the very real economic issues and the affordability of energy. The inability to secure adequate levels of energy and the impact on the benefits it brings to people’s lives are important aspects to consider. Eurostat estimates that by 2020 at least 36 million European Union (EU) citizens were experiencing energy poverty,<sup>1</sup> a figure that has undoubtedly risen since, due to COVID-19 and the humanitarian crisis in Ukraine.

However, other dimensions should also be reflected on to understand energy poverty and its impact. As we operate in an increasingly digitalised and connected society, energy poverty can also impact digital inclusion and how people are able to participate in society more broadly. Likewise, access to information and important social services may also be denied to the people who need them the most, such as older people, families experiencing poverty, migrants and refugees. Finally, energy poverty also impacts not-for-profit organisations, such as the Red Cross, who are at the frontline providing services to vulnerable populations, both as social employers and social innovators. In the current crisis, National Red Cross Societies are finding it increasingly difficult to operate in a sector which has been largely under-resourced and unappreciated.

## Background

Since the 2008 global economic crisis, there has been a continuous lack of investment in social services and support across the EU. This retrenchment has occurred alongside an increasing number of EU citizens seeking social support either because they are already experiencing or are at risk of poverty. The COVID-19 pandemic has further highlighted the consequences of this lack of investment and deepened the socio-economic scars that have prevailed in Europe over the last decade. Now that people spend more time at home due to COVID-19, increased energy consumption has made it difficult for vulnerable families to pay their bills, often only allowing them to take care of a restricted number of their essential needs. In 2020, about 35 million EU citizens who had to stay at home were unable to keep their homes adequately warm.<sup>2</sup> In Italy at the end of 2021, 2.2 million people – 8.5% of families – were living in energy poverty.<sup>3</sup>

2022 has further intensified the pressure on social and health services across Europe. The humanitarian crisis in Ukraine and increases in energy prices and the cost of living have resulted in unprecedented demand for support from vulnerable people, placing additional strain on social service providers for cash assistance, accommodation and other forms of social support. The fight against the effects of climate change adds another layer to the energy

debate at EU level. Prioritising energy efficiency and improving the energy performance of buildings are among the priorities of the European Green Deal.<sup>4</sup> Yet, 75% of the EU's building stock is energy inefficient.<sup>5</sup> At present, buildings alone are responsible for 40% of energy consumption and 36% of greenhouse gas emissions in the EU. Mitigating the severe impact of the energy crisis while fighting climate change requires active cooperation between all relevant stakeholders, especially social actors.

National Red Cross Societies in the EU have increased and adapted support to individuals and households experiencing poverty and hardship since the 2008 economic crisis. However, this assistance comes at a great cost for the National Societies themselves as they struggle to ensure ongoing support to vulnerable people, while trying to deal with increasing running and human resource costs. In many cases, a lack of funding and recognition by their national authorities results in the scaling back of services.

## Our recommendations

To protect European households from further socio-economic hardship and to assist not-for-profit organisations in providing crucial support in meeting the increasingly critical needs of those at risk, National Red Cross Societies in the EU make the following recommendations to the EU and Member States.

### 1. The European Commission and Member States should guarantee that families do not fall into poverty as a result of the increase in the cost of living.

For families under pressure to meet their rental agreements or pay their energy bills, access to social welfare benefits is paramount. Principle 14 of the European Pillar of Social Rights acknowledges that anyone without access to adequate income has the right to receive minimum income support, ensuring a life of dignity.<sup>6</sup> Social welfare benefits should be coordinated with other services to ensure a wide range of socio-economic support and minimise the risk of socio-economic exclusion. In Italy, 8 in 10 people say they are concerned about high utility bills, and 32% are very concerned.<sup>7</sup> In France, 25% of families had issues paying their energy bills in 2021.<sup>8</sup>

We call on the EU and Member States to:

- » Ensure the full implementation of the Council Recommendation on adequate minimum income ensuring active inclusion,<sup>9</sup> thus closing gaps and securing the delivery of income benefits to guarantee families can live with dignity in times of rising energy and food costs.
- » Consider adapting existing EU structural funds, enabling them to support families hit by the increase in energy prices.
- » Ensure the inclusion and participation of experienced organisations, like the Red Cross, in developing and implementing programming



“The increase in energy and food prices poses a risk to individuals and households.”

Counselling interview in context of the Austrian Red Cross' spontaneous aid programme, Austria, October 2017.  
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“Cooperation between energy providers and social services is essential to identify suitable solutions for each household.”



A French Red Cross employee carrying out an advisory home visit.  
© Lucas Prouvost Mauze / Croix-Rouge insertion

to assist people receiving state welfare support to access social rights and the labour market.

- » Guarantee that recipients of subsidiary protection also receive minimum income support in their country of residency.

## 2. Ensure that nobody is evicted from their home as a consequence of experiencing poverty due to an increase in energy and food prices

The increase in energy and food prices poses a risk to individuals and households in Europe who are already living in precarious situations and struggling to pay their rent or mortgage. In Spain, 50% of the people supported by the Spanish Red Cross have to choose every month whether to heat their homes or eat a balanced diet.<sup>10</sup> Tenants living in poor energy performing rentals are at particular risk as they face the triple challenge of increased rents, energy and living costs. The Lisbon Declaration on the European Platform on Combatting Homelessness<sup>11</sup> holds that nobody should be evicted without appropriate assistance and housing solutions. Principle 19 of the European Pillar of Social Rights<sup>12</sup> acknowledges that actions should be taken to prevent evictions without adequate assistance and protection. Preventing evictions requires civil society engagement to safeguard people's rights to housing, welfare assistance and access to social and healthcare services.

We call on the EU and Member States to:

- » Ensure people living in precariousness and experiencing poverty have access to services and information on the financial support available to keep them in their homes and live a life of dignity.
- » Ensure that nobody is evicted without appropriate assistance and housing solutions.
- » Generate mechanisms to detect hidden energy poverty in families who are not used to accessing social services.
- » Monitor unaccounted effects on the housing market that may put vulnerable, low-income households at risk of not being able to afford an adequate place to live.
- » Ensure the energy performance of buildings protecting people who are renting or enduring inadequate living conditions.
- » Provide and ensure access to energy efficiency tools that conserve energy and increase energy literacy in vulnerable households.
- » Ensure that the costs making energy efficient buildings aren't passed onto tenants at risk of experiencing poverty.
- » Ensure people who are at risk of homelessness or living in temporary shelters have adequate access to energy.<sup>13</sup>



A French Red Cross employee carrying out an advisory home visit.  
© Lucas Prouvost Mauze / Croix-Rouge insertion.

### 3. Include National Red Cross Societies as vital partners to Member States in identifying integrated solutions to support households in need

Principle 20 of the European Pillar of Social Rights acknowledges people's right to access essential services, including energy. National Red Cross Societies in the EU have proven experience in delivering food aid and material assistance under EU funding instruments, such as the Fund for European Aid to the Most Deprived (FEAD, 2014-2020) previously, and the new European Social Fund Plus (ESF+) currently.

Cooperation between energy providers and social services is essential to identify suitable solutions for each household. Social service providers, such as National Red Cross Societies, work closely with people in vulnerable situations to help them meet their needs, while also having the trust of energy providers. The Austrian Red Cross supports households and families unable to make their energy payments due to low income or unemployment by advocating for energy providers to set temporary blocks on their accounts, which enable households to delay payments and pay retroactively once their income becomes stable.

Along the same lines, the Italian Red Cross is implementing a project to promote sustainable behaviour and ensure access to energy for vulnerable households through income support. This aims to reach about 420 households

across Italy experiencing social and economic vulnerability in 2023.

In times of crisis, supporting people in need requires access to adequate and tailor-made funding which addresses emergency needs but also paves the way for longer-term solutions towards fostering social cohesion among EU regions.

We call on the EU and Member States to:

- » Work with social service providers to ensure that policy actions and funding instruments at the national level target households in need to guarantee a continuous supply of energy and access to social services support.
- » Work with social service providers to identify vulnerable households and individuals and help to prevent them experiencing poverty or social exclusion.
- » Create a structured dialogue at the national level between social service providers and the private energy sector to facilitate an understanding of the social impact of the crisis and the search for adequate solutions.
- » Consider the experience of not-for-profit organisations, like the Red Cross, in mediating with energy providers to prevent people from losing their homes due to the increase in energy prices.

#### 4. Invest in not-for-profit social and health service providers, such as the Red Cross, which ensure continuity of support to vulnerable groups in times of health and socio-economic crisis

National Red Cross Societies have stepped up their support of families and households with socio-economic vulnerabilities since the 2008 economic crisis. The Spanish Red Cross has supported over 30,000 families to prevent their living conditions from deteriorating further. The increases in energy and living costs have resulted in more people being placed in precarity and requiring support from organisations, like the Red Cross.

National Red Cross Societies are not immune to the current crisis, which has significantly increased their operational costs. Addressing the increase in energy prices should acknowledge the work of not-for-profit organisations. Likewise, due to their community presence and proximity to vulnerable populations, social service providers must be supported by national governments to meet needs, but also to adapt and innovate their approaches in delivering services to reach the most vulnerable people. National Red Cross Societies call on Member States to extend socio-economic protection for businesses and families to frontline organisations like the Red Cross, so that social and health services are not compromised at a time when they provide critical support to people across the EU.

We call on the EU and Member States to:

- » Include not-for-profit organisations, such as the Red Cross, in national activities to protect businesses and households from rising energy costs as they have knowledge and experience in delivering crucial support to people in need, and thus complement the Council Regulation on an emergency intervention to address high energy prices.<sup>15</sup>
- » Consider not-for-profit organisations, such as the Red Cross, in stakeholder consultations to ensure that the implementation of the Council Regulation considers the

expertise of organisations working with people living in energy poverty, and the impact this has on their services.

- » Ensure that solidarity contributions to address surplus profits of EU companies in the oil, gas, coal and refinery sectors are in place for as long as the Russia-Ukraine international armed conflict continues. A proportion of these contributions should go to social service providers to ensure the continuity of their services and support to vulnerable populations.

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Cover page photo: A Spanish Red Cross team visits an older person in her home. © Spanish Red Cross



**RED CROSS**  
**EU OFFICE**

**Representing National Red Cross Societies in the EU,  
Norway and Iceland, and the IFRC**

Rue de Trèves 59-61, 1040 Bruxelles, Belgium - T +32 (0)2 235 06 80  
F +32 (0)2 230 54 64 - [infoboard@redcross.eu](mailto:infoboard@redcross.eu) - [f](https://www.facebook.com/RedCrossEU) [in](https://www.instagram.com/RedCrossEU) /RedCrossEU

The International Red Cross Red Crescent Movement is committed to, and bound by its seven fundamental principles

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