



## Comment: A sustainable and equitable response to the cost-of-living crisis is urgently needed

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The cost-of-living crisis and climate change are inextricably linked public health crises. Any response which fails to consider their interconnectedness will further exacerbate climate change, harm health and widen inequalities; while disregarding some of the causes of the rising cost of living.

The cost-of-living crisis is demolishing the foundations of people's health - including housing, food, heating, and transport, with rising levels of fuel poverty of particular concern. This is not a new phenomenon; vulnerable groups have faced health harms caused by poverty and extreme hardship for many years [1]. In a United Kingdom context, this has been in part the culmination of austerity policies enacted over more than a decade, and the resultant social and health inequalities arising from these. However, it is the unprecedented scale of the problem that has led to the current 'crisis' narrative. A recent Institute of Health Equity review emphasised the unparalleled nature of what we are seeing, warning of a "significant humanitarian crisis" with health critically harmed in both the short and long term [2]. This impact is not being felt equally. People who are already disadvantaged, those on low incomes, with dependent children or disabilities, or minority ethnic households, are far more likely to be affected [2].

The effects of climate change, recognised as "the greatest global health threat of the 21st century" [3], also hit the most vulnerable hardest [4]. Some of the most devastating adverse weather events and disasters occurred last year, with communities across the UK and globally experiencing extreme heat waves, drought, fires and floods. Such trends have continued into 2023. From a global perspective, climate impacts often exacerbate pre-existing inequalities that are deeply patterned by colonial and neo-colonial, racist, sexist and ableist legacies and power structures, and these same patterns of oppression and social

exclusion similarly tend to shape who is worst harmed by rising living costs [4,5]. As drivers of critical impacts for health and equity, climate change and cost-of-living are intimately connected and mutually dependent. Only by better understanding these complex links can we respond in ways that protect health, both now and in the future (Fig. 1).

Firstly, climate change is a key driver of the increasing cost-of-living globally, intensifying related problems such as food shortages, infrastructure damage and supply chain disruption. Climate-exacerbated disasters such as droughts and flooding have contributed to the disruption of food supplies (especially crops including wheat and oil) [6] and therefore rising prices. Failure to acknowledge this in policy responses risks accelerating climate change impacts, potentially further worsening the cost-of-living crisis.

Secondly, the global failure to act on climate change over recent years, and ongoing reliance on an extractive, growth-based economic model, has contributed to the severity of the current cost-of-living crisis in many settings. The UK is no exception here. Although increasing cost-of-living has affected all European countries, the UK Government's longstanding ban on new onshore wind energy, and consistent lack of investment in improving home insulation, have left the UK particularly vulnerable to energy market fluctuations. As a result, the UK has been the worst hit country by the gas price surge across Western Europe, with the greatest cost burdens falling on those who can least afford to pay [7].

Finally, there is the risk that short-termism in responding to the cost-of-living-crisis undermines responses to address climate change. Keeping coal-fired power stations open longer to prevent blackouts, and licensing more new North Sea oil and gas projects (which are unlikely to reduce UK energy bills) [8] are prime examples of this. Both will drive up emissions and worsen local air pollution. Both will harm health and

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worsen inequalities.

A whole-systems approach addressing the complex feedback loops between the drivers of the cost-of-living crisis, climate change, health and equity could support a response to these interlinked challenges that puts public health at its centre. This process must involve acknowledgement of the deeply unequal socio-economic and power structures that create and perpetuate health-harming systems and shape narratives around what constitutes a feasible response. Failure to redress these inherent systematic inequalities and power imbalances will mean failure to centre our response around those most affected. Systems maps and frameworks such as Raworth’s doughnut model [9] could help local areas and regions in developing sustainable solutions, ensuring equitable access to life’s essentials, whilst protecting planetary and human health.

In 2022, the UK Government announced a package of policy measures, committing to an Energy Price Guarantee holding energy bills at around £2500 per year for the average household until March 2023, and £3000 from April 2023 to March 2024. This is substantially lower than previously forecast for 2023 but still approximately double the average cost in recent years, and a level that is likely to prove very challenging for many poorer households. This will be funded through borrowing at an estimated cost of over £100 billion in the first year [10].

Although urgent action on unaffordable energy bills was required, this policy is emblematic of an approach that is neither a sustainable nor an equitable response to the intersecting crises we face. Although the UK windfall tax on fossil fuel companies has increased to 35% in 2023 [11], it continues to subsidise new investments in oil and gas, allowing oil companies to avoid taxation of record-breaking profits through reinvestment in fossil fuels; thus further perpetuating destructive cycles [12]. And by subsidising fossil fuel energy use for wealthier households, their incentive to install insulation or renewable technologies is greatly reduced. At the time of writing, a relatively untargeted approach to support and a failure to appropriately and proportionately tax wealth in the UK means that lower-income taxpayers and younger generations will disproportionately feel the burden of both energy bills and paying for the Energy Bill Guarantee (through debt repayment). This is an inequitable response, especially given that these groups are most at-risk of not being able to cope with rapidly rising food, housing, transport and

energy costs, due to the high proportion of their incomes spent on life’s essentials. Instead, equitable policies to reduce demand and avoid funding unnecessary fossil fuel consumption are required.

As it currently stands, many countries, like the UK, are missing an opportunity to invest in upgrading housing energy efficiency both at scale and at pace (alongside broader whole-home measures, including appropriate ventilation). Doing so would cut emissions, improve health and wellbeing and reduce residents’ energy bills - not only this winter but over many years into the future [2]. More energy-efficient housing typically promotes health by reducing the cold conditions that contribute to respiratory and circulatory illnesses, and impact mental health [2] - particularly when appropriate ventilation measures are installed in tandem.

Combined interventions such as insulation and investment in renewables can create beneficial feedback loops, reducing emissions, lowering bills, and improving health. They should initially be targeted at vulnerable, low-income households and those with the worst home insulation, in order to reduce inequalities and maximise energy efficiency benefits [2].

Government energy subsidies on the scale of the UK’s Energy Bill Guarantee, and similarly expensive policies elsewhere, are not a long-term solution for any country. This is particularly true if the global cost of energy remains high and interest rates climb. Nor are fossil fuel subsidies sustainable from an environmental perspective [12]. Investing in sustainable solutions, such as an ambitious home upgrade programme and increased investment in technologies such as heat pumps, could help support a just transition away from subsidising fossil fuel use over the medium to long term. Such approaches could also be combined with measures such as Germany’s “electricity price brake”, which subsidises energy consumption up to 80% of estimated annual consumption, thereby encouraging an overall reduction in energy use [13]. But making pragmatic investments like these would require significant Government investment and commitment. Funding could be made available by better prioritising how borrowed money is spent, by taxing wealth, and/or by increasing taxes on fossil fuel companies.

Climate change, and our failure to act sooner on it, is fuelling the cost-of-living crisis. It is essential that efforts to address rising energy costs acknowledge this, to prevent a vicious cycle that fails to address

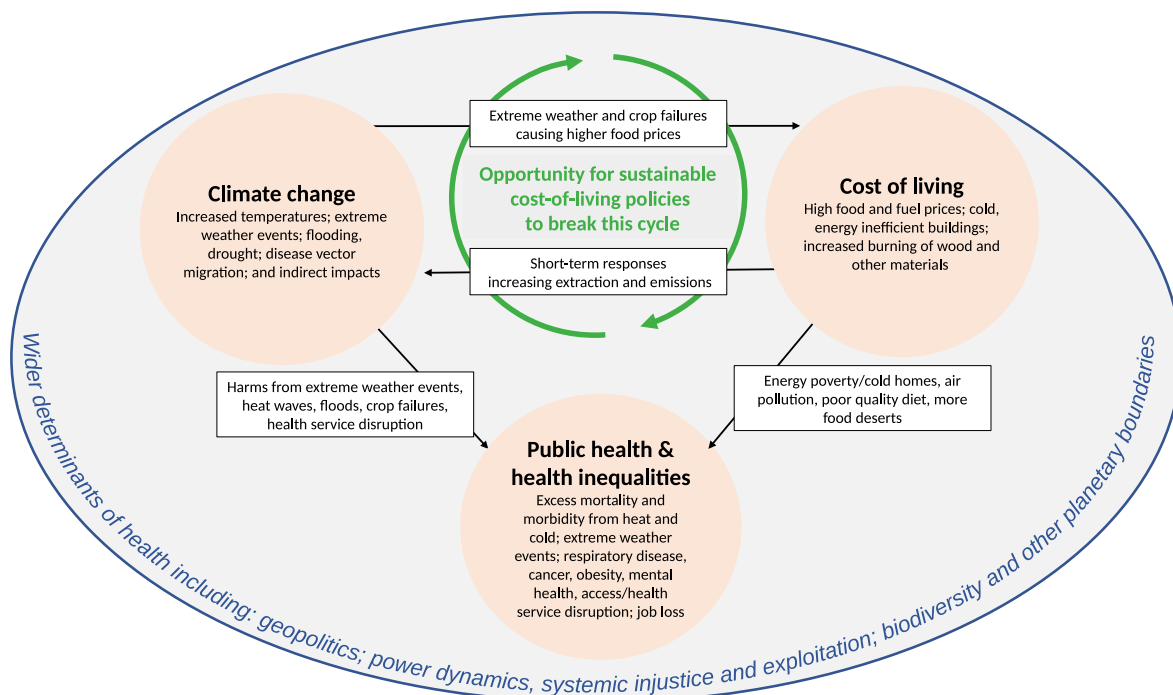


Fig. 1. Conceptual framework: The interconnections between climate change, cost of living, and health inequalities.

the root causes of energy insecurity, and further damages our health and environment. The role of colonial legacies and power struggles must not be lost in these efforts; progress in the struggles for decolonisation, gender, disability, indigenous and racial justice is central to meaningful public health progress on both these issues. To protect public health, we must advocate for a systems approach that supports a just and inclusive transition to a sustainable future.

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None.

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