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International Health

International Horizon Scanning and Learning Report

The Cost of Living Crisis

Report 40, August 2022

Canolfan Gydwethredol Sefydliad
Iechyd y Byd ar Fuddsoddi
ar gyfer Iechyd a Llesiant



World Health Organization
Collaborating Centre on Investment
for Health and Well-being

Overview

The International Horizon Scanning and Learning reports were initiated as part of the COVID-19 public health response, to support dynamic response and recovery measures and planning in Wales. They varied in focus and scope, depending on the evolving COVID-19 situation and public health/policy needs at that time. The reports focussed on COVID-19 international evidence, data, experience, policy and public health measures, transition and recovery approaches. Learning and intelligence was collated and synthesized to understand and explore solutions for addressing the ongoing and emerging health, well-being, social, economic and environmental impacts (potential harms and benefits) of the pandemic.

In spring 2022, the scope of the reports was expanded to cover priority public health topics, including in the areas of health improvement and promotion, health protection, and health care public health. The report topics and findings are aligned with and help inform decision-making and on-going work in Welsh Government, the NHS, and Public Health Wales. They are also disseminated to wider network of (public) health professionals and partners nationally and internationally.

This is part of a wider Public Health Wales' systematic approach to intelligence gathering and evidence translation into policy and practice, supporting coherent, inclusive and evidence-informed action, which progresses implementation of the Wellbeing of Future Generations (Wales) Act and A Healthier Wales strategic plan towards a healthier, more equal, resilient, prosperous, and globally responsible Wales.

This report is also available in Welsh.

Disclaimer: The reports provide a high-level summary of learning from real life experiences from selected countries, and from a variety of scientific and grey literature, including sources of information to allow further exploration. The reports are not comprehensive and are not aimed at providing detailed, robust or in-depth evidence review, analysis or quality assurance. They are meant to offer a brief snapshot or current evidence, policy and practice, sharing relevant country examples and key (reputable) international bodies' guidance and principles.

In focus:

 **Cost of living crisis**

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At a glance: summary of international learning

“All governments must immediately resume and accelerate efforts to ensure every one of their citizens can access health services without fear of the financial consequences. This means strengthening public spending on health and social support, and increasing their focus on primary health care systems that can provide essential care close to home.”
(Dr Tedros Adhanom Ghebreyesus, WHO Director-General)¹

Cost of living crisis: background

- ✚ The cost of living crisis means **“the fall in ‘real’ disposable incomes (that is, adjusted for inflation and after taxes and benefits) [...] caused predominantly by high inflation outstripping wage and benefit increases and has been further exacerbated by recent tax increases”**
- ✚ The current cost of living crisis is **complicated by:**
 - **Global economic shock** due to the COVID-19 pandemic and mitigation measures
 - **Rising inflation**
 - **Supply chain disruptions**
- ✚ **Health impacts** of the cost of living crisis are **multifaceted**, including:
 - Increased **cardiovascular mortality, suicide and homicide rates**
 - Worsened **mental health and infectious disease** outcomes
- ✚ Direct and indirect implications of an economic crisis on (public) health can be understood using the **social determinants of health framework**, identifying **four critical themes:**
 - 1) **Housing**
 - 2) **Employment**
 - 3) **Food**
 - 4) **Fuel**
- ✚ **Mitigation measures, which increased health system resilience** include:
 - Policies to promote public spending on social protection and health services
 - Maintenance of health service access / comprehensive coverage
 - Identification of spending (in)efficiencies and related (dis)investment)

Housing

- ✚ **Reduction in social housing and increase in unaffordable housing** has led to **social exclusion and adverse consequences on the economy**
- ✚ **Poor housing contributes** to respiratory, cardiovascular, and infectious diseases, as well as poor mental health
- ✚ **Mitigation** measures include:
 - **Housing allowances**
 - **Social housing**
 - **Financial support** for home ownership and housing regeneration
 - Focus on **healthy housing**
- ✚ These measures can be achieved through **taxation, spending, regulation, and urban planning**

¹ [More than half a billion people pushed or pushed further into extreme poverty due to health care costs \(who.int\)](#)

Employment

- ✚ **Increased unemployment rates** were observed following the 2008 financial recession and COVID-19 pandemic
- ✚ **Informal workers are particularly vulnerable** to economic shocks
- ✚ **Health impacts of unemployment** include anxiety disorder, suicide, and health harming behaviour such as excess alcohol consumption
- ✚ **Mitigation** measures include:
 - **Wage subsidy schemes; minimum wage increase**
 - **Extension/increase of benefit payments; one off payments**
 - **Tax relief/deferrals**
 - **Job retention schemes**

Food

- ✚ **Food prices have increased** due to increased costs of fuel, energy, fertiliser, and supply chain disruption
- ✚ **Food insecurity is disproportionately** more likely to affect specific population groups, such as **pregnant women, children, elderly, or disabled people**
- ✚ Food insecurity and related unhealthy diet is **associated with a range of health harms and excess burden of non-communicable diseases**, including weight gain, obesity, type 2 diabetes, cardiovascular diseases, and cancers; as well as **mental health impacts**
- ✚ **Mitigation** measures include:
 - **National food policy**
 - **Reducing food waste**: social movements, organisations, food banks
 - **Free school meal programmes**

Fuel

- ✚ People in energy poverty **have poorer self-reported physical and mental health**
- ✚ **Children, adults with pre-existing health conditions, and older people** experience disproportionate health impacts due to fuel poverty
- ✚ **Mitigation** measures include:
 - **Consumer protection**
 - **Financial interventions**
 - **Energy saving / efficiency policies**
 - **Consumer information provision**

Cost of living crisis: Overview

Definition

The Institute for Government refers to the cost of living crisis as: **“the fall in ‘real’ disposable incomes (that is, adjusted for inflation and after taxes and benefits) [...] caused predominantly by high inflation outstripping wage and benefit increases and has been further exacerbated by recent tax increases”**.²

Health impacts

Health implications of the cost of living crisis are **multifaceted**, including:³

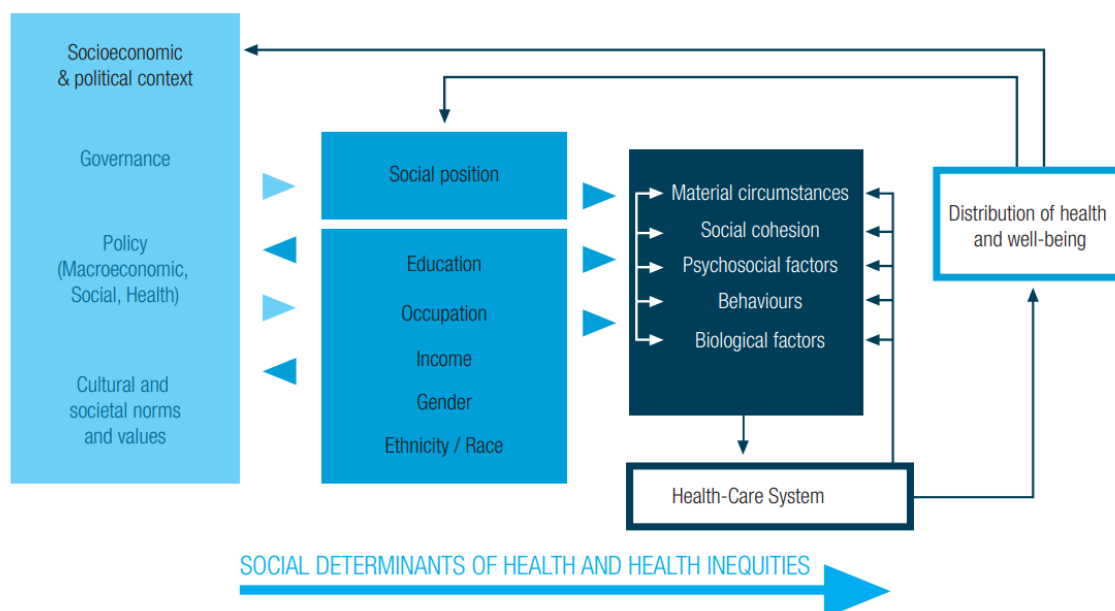
- Increased cardiovascular mortality, suicide and homicide rates
- Worsened mental health and infectious disease outcomes

The impacts **affect the most disadvantaged and vulnerable groups** in the population disproportionately creating a more **“systematically unfair”** society⁴⁵

- **Unemployed** people are more likely to experience adverse health impacts⁶
- **Low income households** are more vulnerable to effects on the economy and are more likely to be pushed into poverty, putting them at additional risks of:⁶
 - ✓ Homelessness
 - ✓ Fuel poverty
 - ✓ Further negative physical and mental health impacts

Direct and indirect implications of an economic crisis on (public) health can be understood using the **social determinants of health framework** (Figure 1).

Figure 1: Commission on Social Determinants of Health conceptual framework, World Health Organization, 2008⁷



² [Cost of living crisis | The Institute for Government](#)

³ [The Role of Social Determinants in Tackling Health Objectives in a Context of Economic Crisis | SpringerLink](#)

⁴ <https://link.springer.com/content/pdf/10.1007/BF03391694.pdf>

⁵ [The cost of living crisis: how can we tackle fuel poverty and food insecurity in practice? | British Journal of General Practice \(bjgp.org\)](#)

⁶ [The Role of Social Determinants in Tackling Health Objectives in a Context of Economic Crisis | SpringerLink](#)

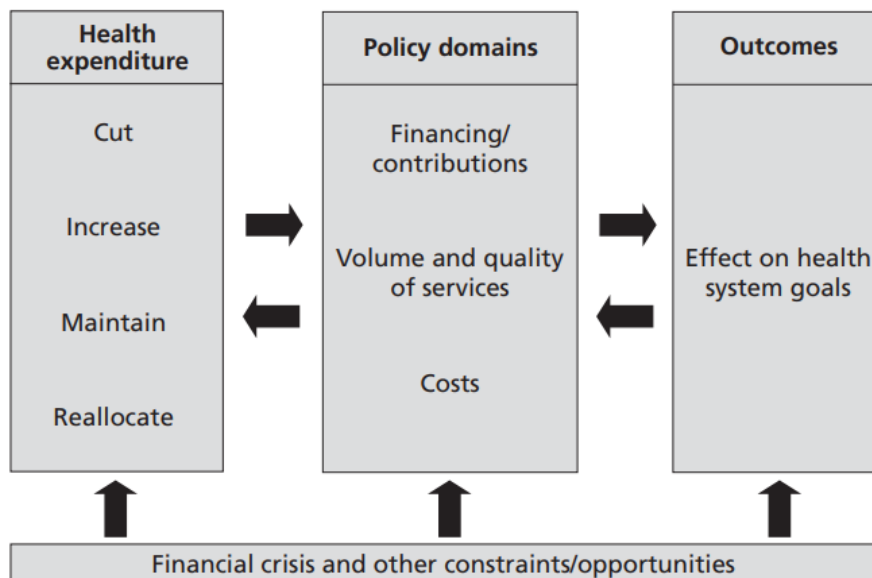
⁷ [Closing the gap in a generation: health equity through action on the social determinants of health \(who.int\)](#)

Health policy

A framework for health policy responses to economic shocks includes (Figure 2):⁸

- Policy decisions to maintain, change, or reallocate health expenditure
- Policy domains to change expenditure within the health services

Figure 2. Health policy responses to the financial crisis and other economic shocks, World Health Organization, 2012⁸



2008 financial recession

Many governments responded to the 2008 financial recession through **adoption of austerity measures** (increase in taxes, reduced social spending) which have been found to be associated with **negative health impacts** including:⁹

- Increased depression and suicide rates
- Increased mortality amongst those aged 85 years and over through reduction in social care and financial support
- Increased unemployment, poverty, homelessness, and food insecurity

This was purported to occur through **two mechanisms**:⁹

- **Direct: healthcare**
 - ✓ Reduced funding for healthcare services
 - ✓ Reduced coverage of services
 - ✓ Reduced access to health care
- **Indirect: social risk**
 - ✓ Reduced public sector employment
 - ✓ Reduced social spending

Areas most affected by cuts were the hospital sector, administrative costs and prices of pharmaceuticals, as well as staff numbers and wages⁹.

Mitigation measures which increased health system resilience include:⁹

- Policies to **promote public spending on social protection and health services**

⁸ [Health policy responses to the financial crisis in Europe \(who.int\)](#)

⁹ [Austerity and health: the impact in the UK and Europe - PMC \(nih.gov\)](#)

- ✓ Initial adequate levels of public spending on health
- Maintenance of **health service access**
 - ✓ Comprehensive health coverage
 - ✓ Low levels / absent out-of-pocket payments
- **Identification of spending (in)efficiencies**
 - ✓ Political will to address inefficiencies and to generate revenue
 - ✓ Increasing use of cost-effectiveness data across health services to guide decisions on (dis)investment

2022 cost of living crisis

The COVID-19 pandemic caused a global economic shock leading to steep recessions in multiple countries worldwide due to:

- The COVID-19 recession is the first since 1870 solely due to a pandemic¹⁰
- **Economic shutdown** in advanced economies increased unemployment and income insecurity¹¹
- Global economic recovery is further negatively impacted by the **Russian invasion of Ukraine and global inflation**
- **Rapid increases in prices of goods** are multifactorial in origin, due to:¹²
 - ✓ **Global supply chain disruption:** shutdown of factories as a COVID-19 mitigation measure; increased costs of transport of goods
 - ✓ **Gas price increases** resulting from increased demand and reduced supply
 - ✓ The **Russian invasion of Ukraine** has a number of impacts through disruption of the gas supply chain from Russia; disruption of the export of Ukrainian goods such as grain; and the closure of operations in Russia by international companies
- Economic recovery can be additionally threatened by:¹³
 - ✓ **Labour market challenges**
 - ✓ **New waves of COVID-19**

Many governments have **reduced spending on social protection measures** (including those introduced for COVID-19) due to high and rising costs of managing the pandemic. This is now **threatening essential foundations for good (public) health**.¹⁴

Four critical themes impacted by the current cost of living crisis have been identified by this International Horizon Scanning report and outlined below, namely:

- 1) **Housing**
- 2) **Employment**
- 3) **Food**
- 4) **Fuel**

¹⁰ [COVID-19 to Plunge Global Economy into Worst Recession since World War II \(worldbank.org\)](https://www.worldbank.org/)

¹¹ [Employment impact of Covid-19 crisis: from short term effects to long terms prospects \(springer.com\)](https://www.springer.com/)

¹² [Cost of living crisis | The Institute for Government](https://www.instituteforgovernment.org/)

¹³ [UN DESA Policy Brief No. 137: Ensuring SDG progress amid recurrent crises | Department of Economic and Social Affairs](https://www.un.org/development/desa/policy/)

¹⁴ [The cost of living: an avoidable public health crisis \(thelancet.com\)](https://www.thelancet.com/)

Cost of living crisis: Housing

“A safe settled home is the cornerstone on which individuals and families build a better quality of life, access services they need and gain greater independence.”
(Jake Eliot, National Housing Federation)¹⁵

Background

There is an **investment gap in affordable and social housing** of EUR 57 billion per year in the European Union (EU).

- **Social housing availability decreased** in most Member States over the last decade¹⁶
- The **stark rise in unaffordable housing** has resulted in **social exclusion and adverse consequences on the economy**¹⁷

Following the **2008-10 recession**, a modelling study of 27 EU countries showed the impact of the resulting **housing crisis on self-reported health**, including:¹⁸

- Falling into housing arrears was associated with a **significant decline in health**
- The health of people in **rented accommodation has deteriorated more** than the health of home owners

Specific **negative health outcomes** due to unaffordable and poor housing include:¹⁹

- Respiratory diseases, including asthma
- Cardiovascular diseases
- Infectious diseases including tuberculosis, influenza and diarrhoea
- Increased injuries
- Poorer mental health

Following the **COVID-19 pandemic**:

- **Lack of affordable housing** could affect **1.6 billion individuals worldwide** by 2025²⁰
- **House prices** in 2021 (Quarter 2) have **grown considerably faster than incomes** (Figure 3)²¹

Mitigation measures

Prior to COVID-19, various measures were introduced by governments to mitigate negative direct and indirect implications of the housing crisis (Figure 4). Most countries have adopted policies, **supporting affordable housing**, such as: financing housing regeneration (41 countries); housing allowances (37 countries); social rental housing (34 countries), and financial support (tax relief) for home ownership (34 countries).²²

Responding to COVID-19, the Organisation for Economic Co-operation and Development (OECD) compiled **22 actions to make housing more efficient, inclusive and sustainable**, dividing them into four policy fields (Table 1).²³

¹⁵ [How does housing influence our health? \(The Health Foundation\)](#)

¹⁶ [Tackling Europe's housing crisis | The OECD Forum Network \(oecd-forum.org\)](#)

¹⁷ https://www.oecd-ilibrary.org/economics/brick-by-brick_8ec0f507-en

¹⁸ [The impact of the housing crisis on self-reported health in Europe: multilevel longitudinal modelling of 27 EU countries \(silverchair.com\)](#)

¹⁹ [Housing impacts health: new WHO guidelines on housing and health](#)

²⁰ [The housing crisis is getting worse – how can we fix it? | World Economic Forum \(weforum.org\)](#)

²¹ [IMF Global Housing Watch](#)

²² https://read.oecd-ilibrary.org/view/?ref=1060_1060075-0eik314uil&title=ENG_OECD-affordable-housing-policies-brief

²³ [Policy Action Tool - OECD](#)

The World Economic Forum also lists **five opportunities to tackle the housing crisis**.²⁴

- Focus on **“healthy housing”**
- Make **progress on the Sustainable Development Goals (SDGs)** housing targets
- Increase awareness of the **significant contribution of housing to national economies**
- Provide assistance to low-income families through **focused housing financing**
- **Support families at risk** of eviction / losing their homes

Figure 3. Real house prices over the past year, International Monetary Fund, 2021²⁵

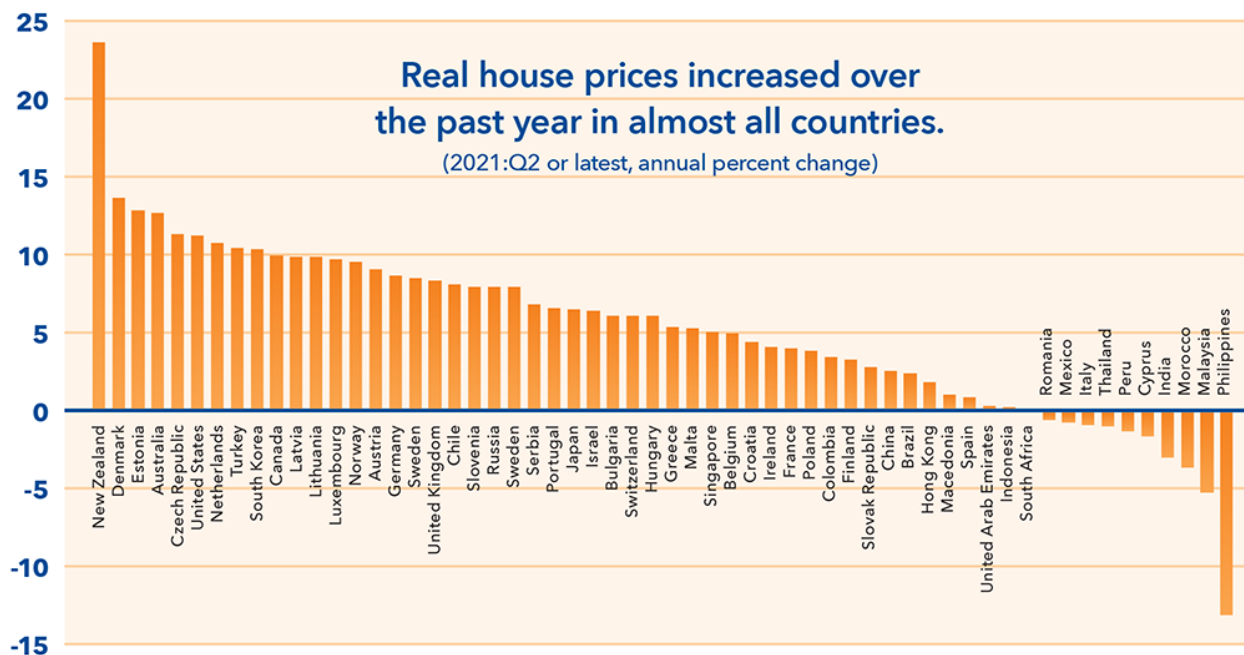
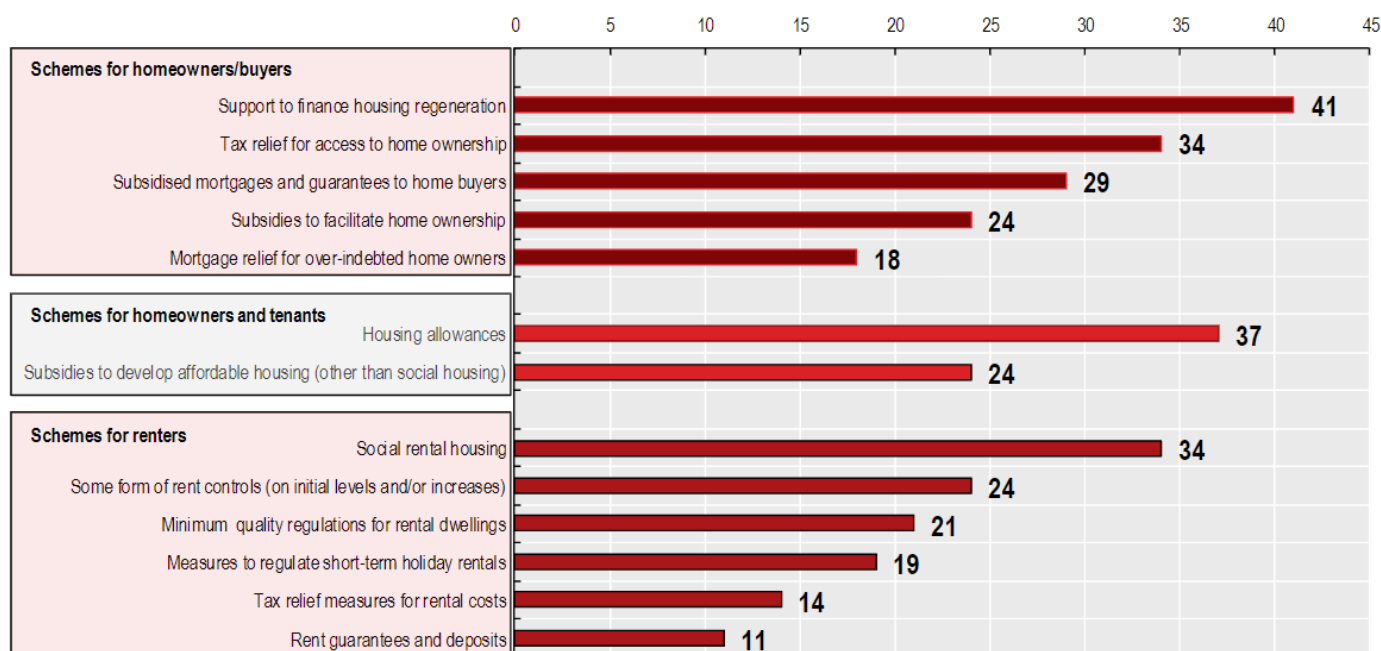


Figure 4. Overview of housing policy instruments prior to Covid-19: number of reporting countries adopted each policy, OECD, 2021²⁶



²⁴ [Five ways to tackle the housing crisis after COVID-19 | World Economic Forum \(weforum.org\)](https://www.weforum.org/publications/five-ways-to-tackle-the-housing-crisis-after-covid-19/)

²⁵ [IMF Global Housing Watch](https://www.imf.org/en/Publications/Global-Housing-Watch/)

²⁶ https://read.oecd-ilibrary.org/view/?ref=1060_1060075-0eik3l4uul&title=ENG_OECD-affordable-housing-policies-brief

Table 1: OECD housing policy actions²⁷

Taxation	Spending
<ul style="list-style-type: none"> - Phase out tax advantages for home ownership - Shift housing taxes from transition towards annual levies - Tax motor fuels - Tax property with split rates (higher rate on land than buildings) 	<ul style="list-style-type: none"> - Invest to build green social housing with portable eligibility - Subsidise the retrofitting of the existing housing stock - More spending on housing allowances
Regulation	Urban planning
<ul style="list-style-type: none"> - Tighten loan-to-value caps - Increase capital requirements for mortgages - Relax rent-control - Relax landlord-tenant regulation - Require certain energy performance through building codes - Benchmark the energy performance of buildings 	<ul style="list-style-type: none"> - Regularly re-evaluate geographic boundaries on urban development - Relax building height regulations - Allow the owners of development rights in environmentally valuable areas to transfer them - Acquire land to prevent its development - Reform land-use governance to give more authority to the metropolitan rather than lower levels and avoid overlaps - Restrict vehicle access to city centres - Price urban roads and/or car parks - Develop public transport - Develop alternative fuel infrastructure

Country insight: Canada

The **Rapid Housing Initiative**, launched in October 2020, aimed to **create new affordable housing for people and populations who are vulnerable** with initial funding of around \$1 billion to:^{27,28}

- Provide **permanent housing** for those living in temporary accommodation **within a short timeframe**
- Enable the **development of new permanent affordable housing**, including construction of new rental housing units, acquisition of land, and the conversion/rehabilitation of existing buildings to affordable housing
- **Create jobs** in the housing and construction sectors

In 2022, a **Housing Affordability Payment** was introduced for one million low-income Canadians who face difficulties with the cost of housing. It consists of a **one off payment** of \$500 as financial support.²⁹

²⁷ https://read.oecd-ilibrary.org/view/?ref=1060_1060075-0eik3l4uil&title=ENG_OECD-affordable-housing-policies-brief

²⁸ [Rapid Housing Initiative \(cmhc-schl.gc.ca\)](https://www.cmhc-schl.gc.ca/en/rapid-housing-initiative)

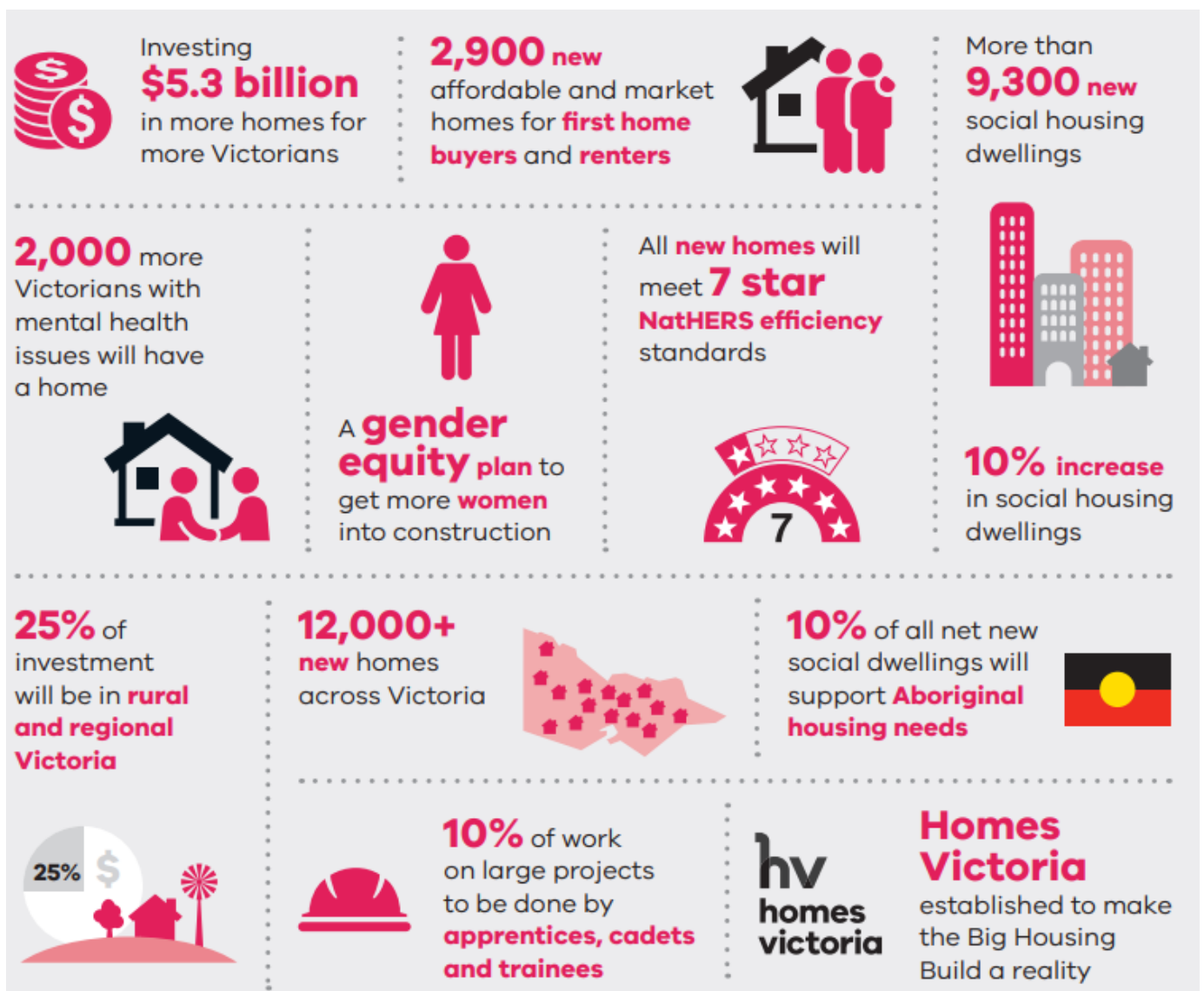
²⁹ [Deputy Prime Minister outlines government's Affordability Plan for Canadians - Canada.ca](https://www150.comma.ca/2022/06/22/deputy-prime-minister-outlines-government-s-affordability-plan-for-canadians/)

Country insight: Australia

The **Big Housing Build initiative** (Victoria, Australia) has invested approximately AUS 6 billion in new affordable and social housing units, including (Figure 5).^{30,31}

- Development of over 9,000 **new social housing and support for housing** improvements
- Over 2,000 houses for those experiencing **mental illness**, acknowledging the association between poor housing and recovery from/prevention of mental health issues

Figure 5. Victoria's (Australia) largest-ever investment in social and affordable housing, Homes Victoria, 2020³¹



³⁰ https://read.oecd-ilibrary.org/view/?ref=1060_1060075-0eik314uil&title=ENG_OECD-affordable-housing-policies-brief

³¹ [hv more homes for more Victorians 0.pdf \(www.vic.gov.au\)](https://www.vic.gov.au/hv-more-homes-for-more-victorians-0.pdf)

Cost of living crisis: Employment and social protection

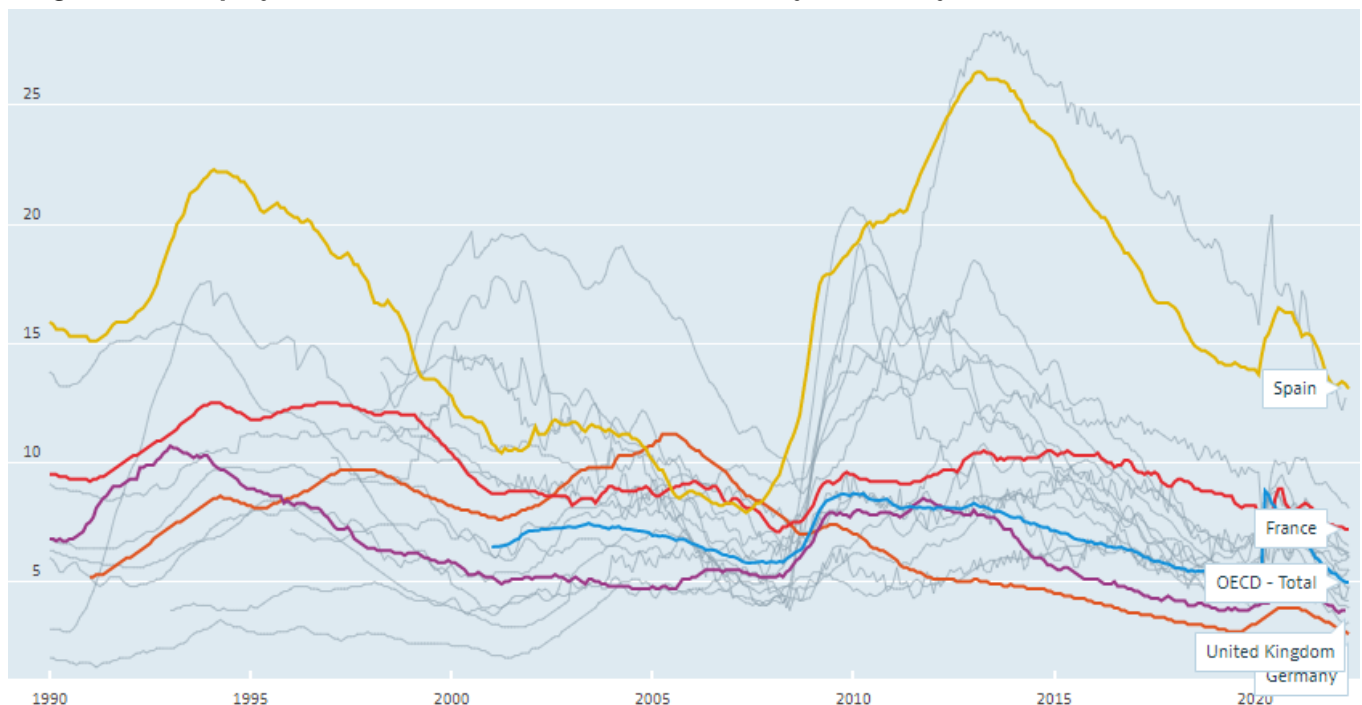
“Business has a key part to play in improving these social conditions that affect health and health equity: in conditions of work and employment; in goods and services; and in impact on the wider society and environment.”
Professor Sir Michael Marmot Director, UCL Institute of Health Equity³²

Background

SDG 8 promotes sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all.³³ Key considerations for this include:

- **Unemployment**
 - ✓ Changes in unemployment rate between 1990 and 2022 have been impacted by economic recessions and recovery (*Figure 6*)
 - ✓ The global economic shock due to COVID-19 has led to increased unemployment and income insecurity³⁴
- **Pay**
 - ✓ Wages are impacted during recession periods
 - ✓ Wage change frequency declined following the 2008 recession across 19 European countries³⁵
- **Inequity of impact**
 - ✓ Some population groups are more vulnerable to economic shocks
 - ✓ Informal workers suffer disproportionate impact due to a lack of social contract and employment protection³⁶

Figure 6. Unemployment rate total, % of labour force, January 1990 - May 2022, OECD, 2022³⁷



³² <https://www.instituteofhealthequity.org/resources-reports/the-business-of-health-equity-the-marmot-review-for-industry/read-report.pdf>

³³ Goal 8 | Department of Economic and Social Affairs (un.org)

³⁴ Employment impact of Covid-19 crisis: from short term effects to long terms prospects (springer.com)

³⁵ Nominal wage rigidity in the EU countries before and after the Great Recession: evidence from the WDN surveys (europa.eu)

³⁶ WIDER Working Paper 2022/45-COVID-19 and informal work: Degrees and pathways of impact in 11 cities around the world (unu.edu)

³⁷ Unemployment - Unemployment rate - OECD Data

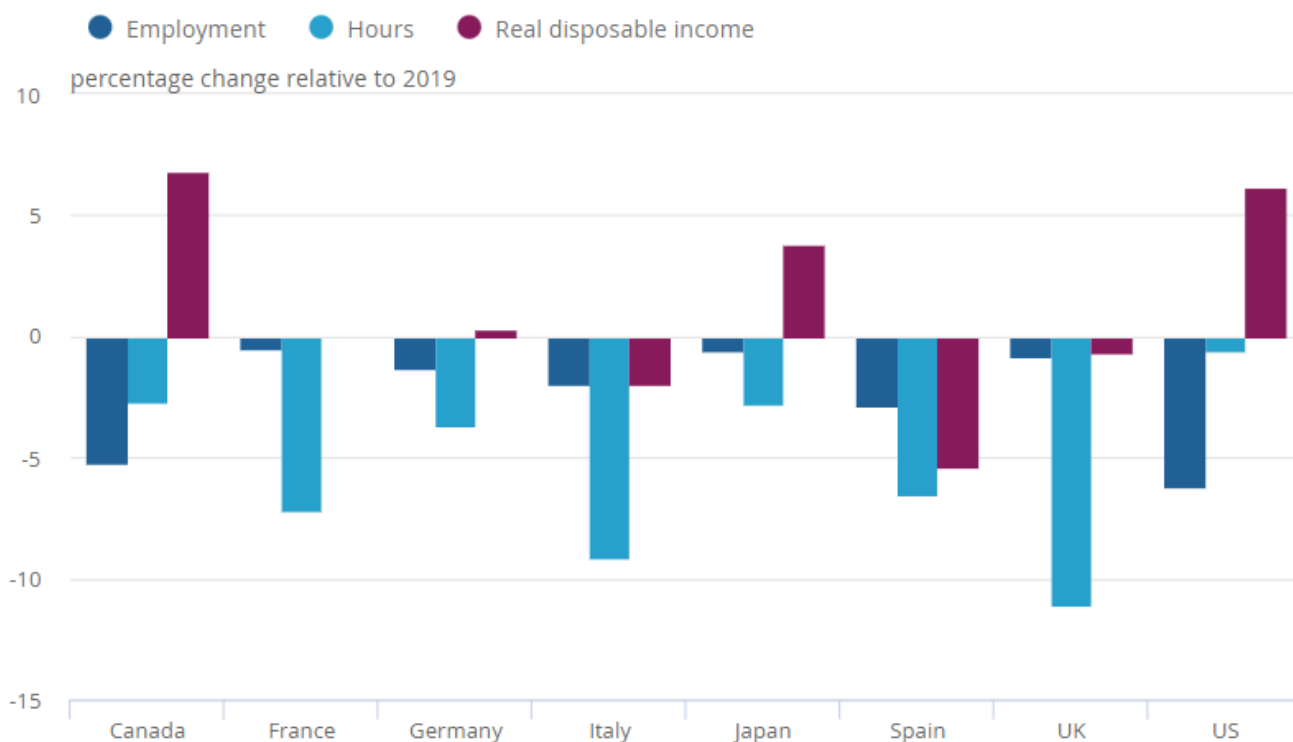
Unemployment and related financial struggles have an adverse impact upon health³⁸ and is associated with increased anxiety disorder,³⁹ suicide,^{40,41} and health harming behaviours including excess alcohol consumption.^{42,43}

Mitigation Measures

As a result of COVID-19, two main fiscal approaches were implemented to address the financial consequences of the pandemic (Figure 7):⁴⁴

- 1) **Job retention schemes**, favoured approach in European countries, leading to **more contained falls in employment**, illustrating their relative success
- 2) **Wage subsidy schemes** and the **extension of benefit payments and tax deferrals**, leading to relatively large **increases in real household disposable income** seen in North America and Canada. This favoured cash handouts and benefit increases, compared to European countries, which may reflect the fact that **job retention schemes did not completely replace lost wages**

Figure 7. The impact of job retention schemes and household income support policies in 2020, G7 countries, Office for National Statistics, 2022⁴⁴



³⁸ [The impact of the housing crisis on self-reported health in Europe: multilevel longitudinal modelling of 27 EU countries \(silverchair.com\)](#)

³⁹ [Generalized anxiety disorder during COVID-19 in Canada: Gender-specific association of COVID-19 misinformation exposure, precarious employment, and health behavior change - ScienceDirect](#)

⁴⁰ [The association of COVID-19 employment shocks with suicide and safety net use: An early-stage investigation | PLOS ONE](#)

⁴¹ [The Great Recession, unemployment and suicide | Journal of Epidemiology & Community Health \(bmj.com\)](#)

⁴² [Alcohol consumption and labour market participation: a prospective cohort study of transitions between work, unemployment, sickness absence, and social benefits \(springer.com\)](#)

⁴³ [The association between unemployment trajectories and alcohol consumption patterns. Evidence from a large prospective cohort in The Netherlands - ScienceDirect](#)

⁴⁴ [International comparisons of labour markets over the coronavirus \(COVID-19\) pandemic - Office for National Statistics](#)

In response to the 2022 cost of living crisis, social security measures have been introduced in a number of countries worldwide (Table 2).

Table 2. Social security measures introduced in selected countries

Country	Measure Introduced
United Kingdom ⁴⁵	<ul style="list-style-type: none"> - £37 billion invested this year so almost 8 million households can receive: <ul style="list-style-type: none"> ✓ A one off £1,200 payment ✓ A £400 payment for all domestic electricity clients
France ⁴⁶⁴⁷	<ul style="list-style-type: none"> - 5.8 million lower-income households received a €100 energy cheque - Minimum wage increased from €10.48 to €10.57 <ul style="list-style-type: none"> ✓ Represents a gross monthly minimum wage of €1,603.12
Germany ⁴⁸	<ul style="list-style-type: none"> - €130 million in subsidies for lower income households; eligible households of: <ul style="list-style-type: none"> ✓ One person to receive €135 ✓ Two people to receive €175 - An additional €35 per person thereafter
Finland ⁴⁹	<ul style="list-style-type: none"> - 3.5% increase in benefits tied to the National Pensions Index in August <ul style="list-style-type: none"> ✓ Applies to benefits including the national pension, disability benefits, labour market subsidy and social assistance
Canada ⁵⁰	<ul style="list-style-type: none"> - \$8.9 billion of new support announced to make life more affordable for Canadians - Continue to adjust benefits for inflation over time
Australia ⁵¹	<ul style="list-style-type: none"> - The Personal Income Tax Plan provides \$40 billion in tax relief for households since the start of the pandemic - From 1st July 2022 over 10 million individuals will benefit from a one-off \$420 cost of living tax offset in combination with an extension to the 2021-22 tax offset offering a tax reduction of: <ul style="list-style-type: none"> ✓ \$1,500 for a single income household ✓ \$3,000 for a dual income household

⁴⁵ [Cost of living support factsheet: 26 May 2022 - GOV.UK \(www.gov.uk\)](#)

⁴⁶ [Cost of living crisis: What are European countries doing to avoid soaring energy bills? | Euronews](#)

⁴⁷ <https://www.pwc.fr/fr/assets/files/pdf/2022/02/en-france-pwc-actualite-sociale-111.pdf>

⁴⁸ <https://www.euronews.com/next/2022/02/03/cost-of-living-crisis-how-are-european-countries-responding-to-soaring-energy-bills>

⁴⁹ [Benefits tied to the National Pensions Index will be increased by 3.5% in August - Press releases - kela.fi](#)

⁵⁰ [Deputy Prime Minister outlines government's Affordability Plan for Canadians - Canada.ca](#)

⁵¹ [Guaranteeing the essential services | 2022-23 Budget](#)

Country insight: Germany

German employment rates were high and remained surprisingly stable during and after the 2008 recession (*Figure 8*).

This likely reflects the **improvements to labour market flexibility** as a consequence of **comprehensive reforms** introduced in advance of the crisis,⁵² including two notable “working time” schemes:

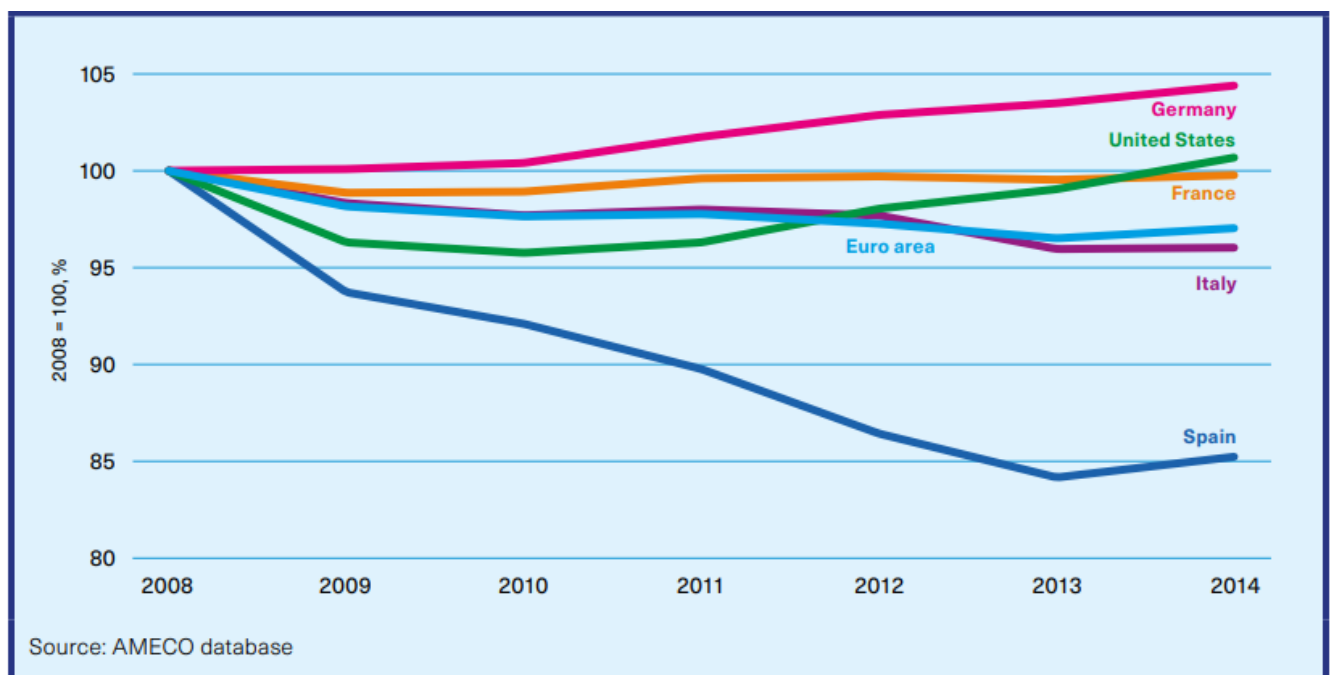
1) Government sponsored and other “short-time” work schemes

- Allowed employees to take out benefits that partly compensate for a fall in wages due to a decrease in average working hours
- Scheme relaxed in 2008 to allow more employers to benefit from it
- Allowed employers to accrue “positive working time” through unpaid overtime and use this to reduce working time during the crisis without reducing wages

2) Collective agreements negotiated between unions and employers before the crisis, allowing departures of regular working time when firm sales decreased

These interventions combined resulted in a decrease in average working hours and **helped to prevent job losses**.⁵³

Figure 8. Employment changes, 2008-2014 (%), International Labour Office, 2015⁵³



⁵² https://www.ecb.europa.eu/pub/pdf/other/art1_mb201410_pp49-68.en.pdf

⁵³ [Labour Market Measures in Germany 2008–13: The Crisis and Beyond \(ilo.org\)](https://www.ilo.org/publications/series/100/13/eng.pdf)

Cost of living crisis: Food

“Everyone has a right to access safe nutritious foods and affordable healthy diets. Investing in healthy and sustainable agrifood systems is an investment in the future, and in future generations.”

(The State Of Food Security And Nutrition In The World 2022. FAO, IFAD, UNICEF, WFP, WHO)⁵⁴

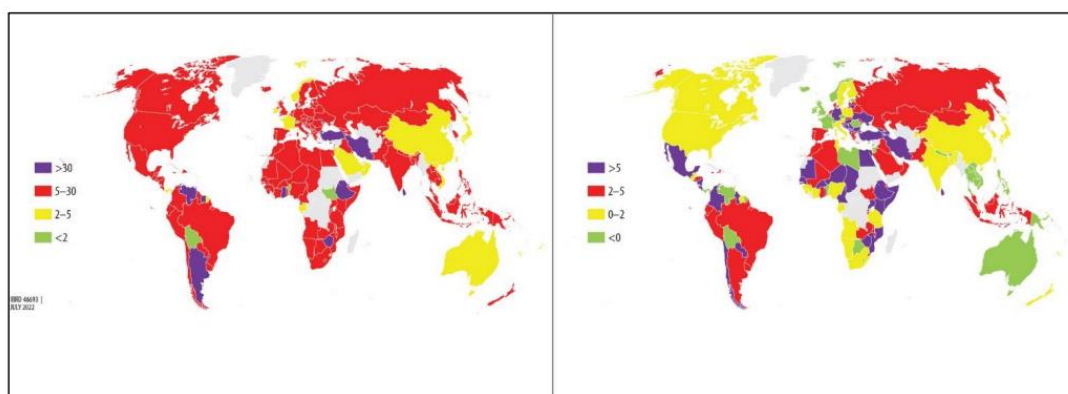
Background

- **Food insecurity (food poverty)** is defined as “the state of being without reliable access to a sufficient quantity of affordable, nutritious food”⁵⁵
- It is a **global priority with SDG 2 achieving “Zero Hunger” by 2030**⁵⁶
- **Progress is threatened by new shocks:** climate change, conflict, infectious diseases, including COVID-19, through:
 - ✓ Negatively impacting food production
 - ✓ Disrupting supply chains
 - ✓ Reducing access to nutritious and affordable food⁵⁷

Food prices have drastically increased in recent months, as a consequence of:

- Disruption of food and fertilizer imports due to the war in Ukraine, which has contributed to global food price shocks⁵⁸
- Sharp rises in the cost of fuel, energy and fertilizer⁵⁹
- The Agricultural Price Index is 14% higher in June 2022 compared to January 2022
- Maize and wheat prices are 27% and 37% higher, respectively, compared to January 2021; rice prices are about 17% lower⁶⁰
- High inflation of food prices was experienced by 94% of low-income, 89% of lower-middle-income, 83% of upper-middle-income, and 70% of high-income countries (*Figure 9*):
 - ✓ Many countries are experiencing double-digit inflation
 - ✓ In most countries, food price inflation is greater than overall inflation

Figure 9. Food inflation heat map (left); real food inflation heat map (right), the World Bank, 2022⁶⁰



Source: International Monetary Fund, Haver Analytics, and Trading Economics.

Note: Food inflation for each country is based on the latest month from March to June 2022 for which the food component of the Consumer Price Index (CPI) and overall CPI data are available. Real food inflation is defined as food inflation minus overall inflation.

⁵⁴ <https://www.fao.org/3/cc0639en/online/sofi-2022/about.html>

⁵⁵ [Food Insecurity Tracking | Food Foundation](#)

⁵⁶ [Goal 2: Zero Hunger - United Nations Sustainable Development](#)

⁵⁷ [Food security update \(worldbank.org\)](#)

⁵⁸ [GRFC 2022 FINAL REPORT.pdf \(fightfoodcrises.net\)](#)

⁵⁹ [Food Security Update | Rising Food Insecurity in 2022 \(worldbank.org\)](#)

⁶⁰ [Food-Security-update-LXVI-July-15-2022.pdf \(worldbank.org\)](#)

Harms to health

Food insecurity, multifactorial in origin, is a **vital issue** on the public health nutrition agenda.⁶¹

- Food insecurity is associated with a **range of risks, conditions and diseases**, including weight gain, obesity, type 2 diabetes, cardiovascular diseases, and cancers⁶²
- An unhealthy diet contributes to a large proportion of the **excess burden** of non-communicable diseases globally and in the UK, comparable to smoking^{63,64}
- Food insecurity can also have **mental health impacts**, including worse mental health and specific psychosocial conditions, such as worry, stress, anger⁶⁵
- Food insecurity **during the COVID-19** pandemic was associated with 257% higher risk of anxiety and a 253% higher risk of depression in a US study⁶⁶

Vulnerability

Impacts of food insecurity are not always felt equally within a household. Some individuals may be **more vulnerable to malnutrition**, including those with:

- **Increased nutritional needs**, e.g. pregnant women and children
- **Greater physical difficulty** to access food, e.g. elderly or disabled people
- **Potentially uneven distribution of available food** amongst family members⁶¹
- **Poor households** face disproportionate barriers to accessing healthy food due to income, and exacerbated by:
 - ✓ Precarious living conditions
 - ✓ Local environmental risks
 - ✓ Limited access to markets
 - ✓ Limited resources such as household heating, access to cooking goods, safe drinking water, and sanitation⁶⁷

Mitigation Measures

Food Banks

Food banks are **community-based, non-profit organizations** that **procure surplus, wholesome food that might otherwise be lost or wasted** in the food system and redirect these surpluses to **feed the hungry through networks of local charities and grassroots organisations** (Figure 11).⁶⁸

Food banks represent a **“triple win”**:

- **Reducing food waste and protecting the environment**
- **Providing food assistance to hungry and vulnerable people**
- **Strengthening civil society** through support of local humanitarian charities⁶⁸

Food banks exist **across the world**, e.g. the European Food Banks Federation is a network of food banks which currently consists of over **341 food banks in 30 European countries**.⁶⁹ Although food banks provide immediate access to food, there are drawbacks:

⁶¹ <https://www.cambridge.org/core/services/aop-cambridge-core/content/view/EEFD84DA5B148E42B476FD64404AF7D9/S136898001500292Xa.pdf/food-insecurity-a-critical-public-health-nutrition-concern.pdf>

⁶² <https://bmjopen.bmj.com/content/bmjopen/9/8/e029236.full.pdf>

⁶³ 20/48 Food insecurity – health impacts and mitigation | NIHR

⁶⁴ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3649100/pdf/203.pdf>

⁶⁵ Food Insecurity and Mental Health Status – A Global Analysis of 149 Countries | Elsevier Enhanced Reader

⁶⁶ The association between food insecurity and mental health during the COVID-19 pandemic (biomedcentral.com)

⁶⁷ Determinants, Health Problems, and Food Insecurity in Urban Areas of the Largest City in Cape Verde - PMC (nih.gov)

⁶⁸ GFN WasteNot.pdf (foodbanking.org)

⁶⁹ European Food Banks Federation – FEBA (eurofoodbank.org)

- **Inconsistent and poor nutritional content** compared to dietary recommendations, due to:
 - ✓ Limited quality and variety of food options
 - ✓ Lack of nutritional guidelines for food banks⁷⁰
- **Increased diet-related conditions amongst those who are food insecure**⁷¹

Opportunities to improve health outcomes amongst food bank users include:

- Canadian food banks trialled a **choice model**, whereby food bank users selected their own food (instead of receiving a pre-packaged parcel), which was significantly associated with increased fruit and vegetable consumption⁷²
- Canadian research demonstrates that **pre-packaged food parcels often lack the appropriate nutritional intake** due to a **lack of fresh perishable produce and storage facilities**⁷³
- **Tailored food parcels**, such as diabetes specific parcels, have been successfully used to meet individual needs and preferences⁷⁴

Global and international approaches

Global frameworks exist to address food crises, for example, the Global Network against Food Crises proposes a **3x3 approach** (Figure 10).⁷⁵

Figure 10. The Global Network 3x3 Approach to Addressing Food Crises, Global Network Against Food Crises, 2022⁷⁵



⁷⁰ [The nutritional quality of food parcels provided by food banks and the effectiveness of food banks at reducing food insecurity in developed countries: a mixed-method systematic review \(wiley.com\)](https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.587.8535&rep=rep1&type=pdf)

⁷¹ <https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.587.8535&rep=rep1&type=pdf>

⁷² https://ruor.uottawa.ca/bitstream/10393/41529/3/Enns_Aganeta_2020_thesis.pdf

⁷³ https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6975872/pdf/41997_2007_Article_BF03405378.pdf

⁷⁴ [The nutritional quality of food parcels provided by food banks and the effectiveness of food banks at reducing food insecurity in developed countries: a mixed-method systematic review \(wiley.com\)](https://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.587.8535&rep=rep1&type=pdf)

⁷⁵ [GRFC_2022_FINAL_REPORT.pdf \(fightfoodcrises.net\)](#)

A range of policies, programmes and initiatives exist to mitigate the challenges of food insecurity (Table 3).

Table 3. Initiatives to reduce food insecurity

Country	Mitigation measure
Canada ⁷⁶⁷⁷	<ul style="list-style-type: none"> - Canada's first ever food policy "Everyone at the table" was launched in 2019 - Ambitious vision: <ul style="list-style-type: none"> ✓ All people in Canada are able to access a sufficient amount of safe, nutritious and culturally diverse food ✓ Canada's food system is resilient, innovative, sustains the environment, and supports the economy - Progress to date: <ul style="list-style-type: none"> ✓ Helped to launch a five-year local food infrastructure fund ✓ Supported community-led projects ✓ Initiated the creation of a National School Food Programme
Denmark ⁷⁸	<ul style="list-style-type: none"> - The company "Too Good to Go" founded in Copenhagen (2015) reduces food waste - Connects consumers with businesses whose products would otherwise have gone unsold and disposed of - Now 18 million users and 38,000 restaurants, supermarkets and cafes across 14 countries <ul style="list-style-type: none"> ✓ Saved 29 million meals and avoided the equivalent of more than 72,000 tonnes of greenhouse gas ✓ Simultaneously provides access to affordable food
France ⁷⁹	<ul style="list-style-type: none"> - Pioneering law adopted in February 2016 to reduce food waste - Supermarkets forbidden to destroy unsold food products and compelled to donate these instead
UK ⁸⁰	<ul style="list-style-type: none"> - The social movement "Sustainable Food Places" brings together pioneering food partnerships from towns, cities, districts and counties across the UK that are driving innovation and best practice on all aspects of healthy and sustainable food. - The movement focuses on collaborative action between policy makers, businesses and civil society at the local level

⁷⁶ "Everyone at the Table!" Government of Canada announces the first-ever Food Policy for Canada - Canada.ca

⁷⁷ Zero hunger | Food Secure Canada

⁷⁸ zero_waste_europe_CS7_CP_TooGoodToGo_en.pdf (zerowasteurope.eu)

⁷⁹ France's law for fighting food waste - Zero Waste Europe

⁸⁰ Sustainable Food Places Scotland | Sustainable Food Places

Country insight: Finland

Finland was ranked number one in the SDG index of the Sustainable Development Report 2021.⁸¹ Specifically regarding SDG 2 “Zero Hunger”, Finland **scores well concerning access to food and nutritional targets**, but has room for improvement in obesity and consumption of vegetables.

Successful development of a **sustainable and healthier food system** in Finland has been attributed to:⁸²

- **Societal traditions of dialogue and stakeholder engagement**
- **Consultation of all actors within the food chain** as well as **wider cross-sectoral input** to gain consensus decisions
- **Examples** of these dialogues include:
 - ✓ The Round Table on Food–discussion forum
 - ✓ The National Nutrition Council
 - ✓ Nordic co-operation
 - ✓ Coherence in policies: One Health
 - ✓ Coherence in policies: food-water-forest-energy–nexus

Finland has the **longest-running free school feeding programme in the world**, introduced into law in 1948:⁸²

- Provision of **nutritious hot meals, free of charge, to pupils from preschool to secondary school age inclusive**
- **Educates school children** on healthy diets and supporting local food production⁸³
- Current considerations to incorporate the **environmental impact and sustainability of the scheme in national dietary recommendations**, for example:⁸⁴
 - ✓ Increasing the share of vegetables, legumes and fish in people’s diets
 - ✓ Impact on mitigating environmental biodiversity loss and climate change

⁸¹ [2021-sustainable-development-report.pdf](#)

⁸² [National-pathways-Finland-summary-final.docx \(live.com\)](#)

⁸³ [School meals | Education Finland](#)

⁸⁴ [Environmental impacts need to be taken into account in nutrition recommendations by Suomen ympäristökeskus - Finnish Environment Institute - Finlands miljöcentral - Issuu](#)

Cost of living crisis: Fuel

“Fuel poverty is considered a distinct form of poverty, not least because tackling it has the potential to garner a “win-win-win” for policymakers through improvements in economic hardship, mental and physical health, and energy/carbon savings”
(Burlinson et al, 2021)⁸⁵

Background

Energy or fuel poverty is defined as “the inability of a household to afford a socially and materially necessitated level of domestic energy supply”.⁸⁶ UK nationally representative data (2018 - 2020) identified a **significant association between fuel poverty and current financial distress.**⁸⁷

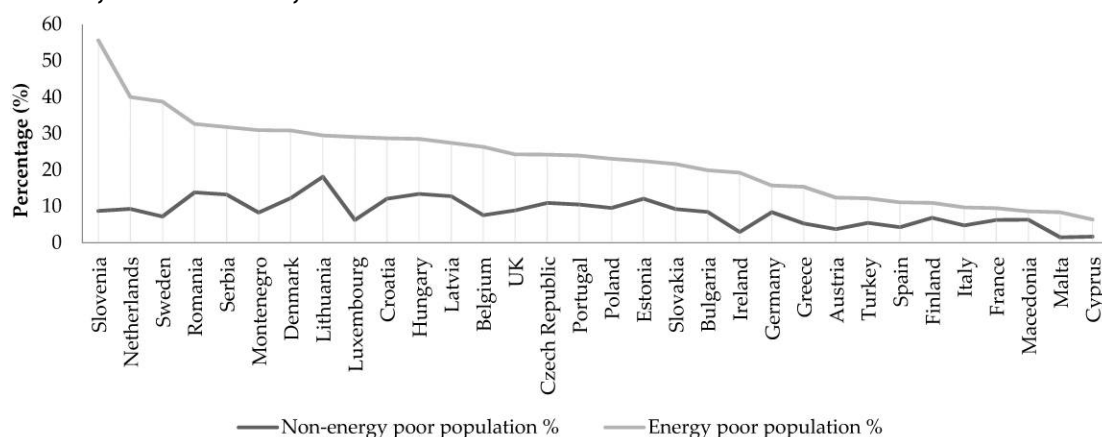
Fuel poverty has **consequences on health and wellbeing**, including:

- A **poorer self-reported health status** (Figure 10)⁸⁸
- The probability of **poor self-perceived (physical and mental) health** is between 2.2 to 5.3 higher in those living in energy poverty⁸⁹
- **Cold and poor housing conditions** have direct and indirect negative effects on health and well-being such as respiratory diseases^{90,91,92,93}

There is a **disproportionate negative impact (direct and indirect) on specific groups** within the population and across different age groups, including:⁹⁴

- **Children** can be at increased risk of asthma attacks and other **respiratory diseases**⁹⁵
- Negative effect on **children’s educational attainment and emotional well-being**
- Adults’ physical health, well-being and self-assessed general health, in particular for **vulnerable adults and those with existing health conditions**
- Decreased physical and mental health status, and increased mortality risk amongst **older people**

Figure 10. Prevalence of poor health in the energy poor population versus non-energy poor population, Thomson et al, 2017⁸⁸



⁸⁵ <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8479554/pdf/main.pdf>

⁸⁶ [Can the Green Deal be fair too? Exploring new possibilities for alleviating fuel poverty - ScienceDirect](#)

⁸⁷ [Fuel poverty and financial distress - PMC \(nih.gov\)](#)

⁸⁸ [Health, Well-Being and Energy Poverty in Europe: A Comparative Study of 32 European Countries - PMC \(nih.gov\) \(2017\)](#)

⁸⁹ [Energy poverty, its intensity and health in vulnerable populations in a Southern European city - PubMed \(nih.gov\)](#)

⁹⁰ [Fuel poverty is intimately linked to poor health | The BMJ](#)

⁹¹ [The Health Impacts of Cold Homes and Fuel Poverty - IHE \(instituteofhealthequity.org\)](#)

⁹² [Briefing7 Fuel poverty health inequalities.pdf \(publishing.service.gov.uk\)](#)

⁹³ [Chance of a lifetime - the impact of bad housing on children's lives - Shelter England](#)

⁹⁴ [The Health Impacts of Cold Homes and Fuel Poverty - IHE \(instituteofhealthequity.org\)](#)

⁹⁵ [Eat or heat: fuel poverty and childhood respiratory health - PubMed \(nih.gov\)](#)

Mitigation measures

Four main approaches are favoured to reduce fuel poverty⁹⁶⁹⁷

Affordability policies: reducing the proportion of household income spent on energy, encompassing:

- 1) **Financial interventions:** payments to people vulnerable to energy poverty
- 2) **Consumer protection:** special tariffs, protection from disconnection from energy supply such as electricity
 - May improve the standard of living through financial interventions
 - **Do not contribute to reducing overall energy usage / limiting emissions;** therefore not considered a long term solution
- 3) **Efficiency policies:** improving energy efficiency through retrofitting homes
 - Policy should consider that **poorer households may be unable to afford modifications** to their homes to improve energy efficiency; and may live in poorer quality housing
 - Policies to improve energy efficiency of existing housing (identified as having the biggest potential opportunity for energy savings) as well as improving future construction implemented in Europe include the Energy Efficiency Directive and Energy Performance of Buildings Directive
- 4) **Information provision:** public awareness campaigns, energy saving advice

A comparative study summarising policies and measures in five European countries across these four approaches is presented in *Table 4 (page 24)*.⁹⁷

Country insight: Northern Ireland

The **Fuel Poverty Strategy for Northern Ireland 2011** acknowledges that fuel poverty should be considered **in the context of overall poverty**:⁹⁸

- The Strategy **targets resources to vulnerable households with greatest need**
 - Emphasis is placed on **cross-sectoral and partnership working**, highlighting factors which influence fuel poverty: income, fuel price, energy efficiency
 - **Four key areas** are identified in the Strategy to reduce future fuel poverty:
 - ✓ Targeting of resources
 - ✓ Improving energy efficiency
 - ✓ Achieving affordable energy
 - ✓ Building strong partnership
-

Country insight: Scotland

Scotland introduced the **Fuel Poverty (Targets, Definition and Strategy) (Scotland) Act 2019**:⁹⁹

- The target states: **“that in the year 2040, as far as reasonably practicable, no household in Scotland is in fuel poverty rooted in the principle of social justice”**

⁹⁶ [Fuel poverty in industrialized countries: Definition, measures and policy implications a review - ScienceDirect](#)

⁹⁷ [Energy poverty policies and measures in 5 EU countries: A comparative study \(ssoar.info\)](#)

⁹⁸ [The Fuel Poverty Strategy | Department for Communities \(communities-ni.gov.uk\)](#)

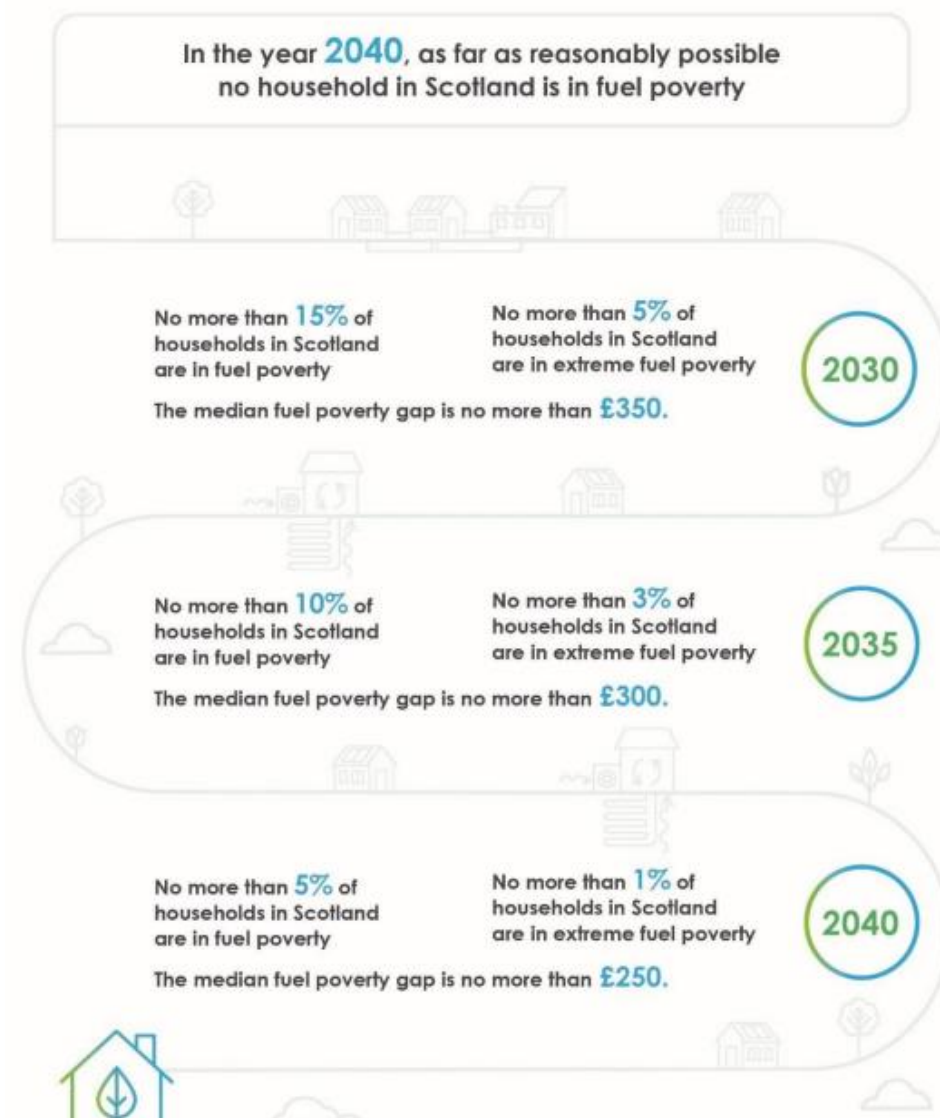
⁹⁹ [Fuel Poverty \(Targets, Definition and Strategy\) \(Scotland\) Act 2019 \(legislation.gov.uk\)](#)

- The vision is for: “**everyone to have a warm, safe home that they can afford and that meets their needs, in a place where they want to live**”
- Supported by the **Fuel Poverty Strategy (2021)**¹⁰⁰
 - ✓ Sets out policies and proposals for national government, local authorities and third sector partners
 - ✓ Underlines the importance of tackling the underlying root causes of fuel poverty to enable everyone to afford energy

The Scottish Government agreed to the following **actions to make progress** (Figure 11):¹⁰¹

- Make progress now on the **four drivers of fuel poverty**
- Ensure **fewer people are at risk** of fuel poverty in the future by making **systemic change**
- Ensure continued **progress to tackling fuel poverty whilst decarbonising** the way we heat and power our homes

Figure 11. Fuel Poverty Targets (Scotland), Scottish Government, 2021¹⁰¹



¹⁰⁰ [Tackling fuel poverty in Scotland: a strategic approach - gov.scot \(www.gov.scot\)](http://www.gov.scot)

¹⁰¹ [Tackling Fuel Poverty in Scotland: A Strategic Approach \(www.gov.scot\)](http://www.gov.scot)

Table 4. Measures implemented by five European countries to address fuel poverty¹⁰²

Country	Financial interventions	Consumer protection	Energy saving	Information provision
Bulgaria	Financial aid between November – March annually for specific vulnerable groups		<ul style="list-style-type: none"> - Financial support for energy efficiency investments - Subsidies for implementation of renewable energy sources / energy saving technology in industry 	
Cyprus		<ul style="list-style-type: none"> - Special tariff for vulnerable clients - Protection from electricity disconnection for vulnerable clients 	<ul style="list-style-type: none"> - Grants/loans provided for energy upgrades and renewable energy sources - Financial aid for installation/replacement of solar water heating systems 	
Spain	Financial aid for emergencies if severe social exclusion	<ul style="list-style-type: none"> - Electricity bill discounts for vulnerable clients - Vulnerable households protected from disconnection of electricity, gas, and water in line with precautionary principle - Law on the Electric Sector prohibits disconnection for clients with severe health problems 	<ul style="list-style-type: none"> - Financial support for energy efficiency upgrades or installation of renewable energy sources - Funding for transition to geothermal / biomass energy sources 	Energy advice points including how to improve energy efficiency; protection of rights if disconnection risk; review energy contract
Portugal		<ul style="list-style-type: none"> - Reduced tariff for electricity and gas for vulnerable clients 	<ul style="list-style-type: none"> - Funding available for energy efficiency upgrades - Regeneration of disadvantaged communities to include social housing - Financial products to support regeneration and efficiency in the social housing sector 	
Lithuania	Funding for heating, cold and hot water costs if heating costs >10% income	<ul style="list-style-type: none"> - Reduced VAT (9%, compared to 21%) on district heating and hot water - Protection from electricity disconnection for vulnerable clients at critical times 	<ul style="list-style-type: none"> - Support of renewable energy sources and biomass for own energy production - Loans and VAT exemption for upgrades to improve energy efficiency 	

¹⁰² [Energy poverty policies and measures in 5 EU countries: A comparative study \(ssoar.info\)](#)

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