

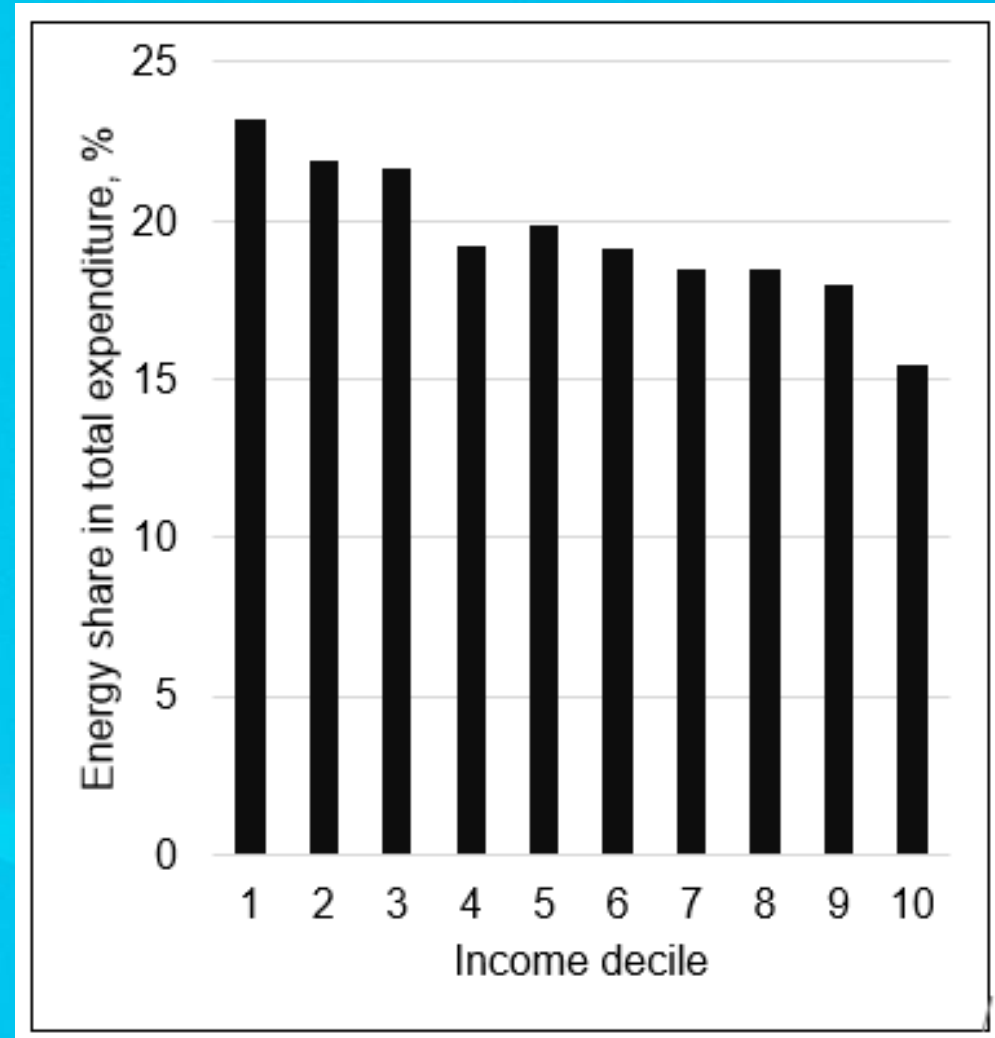
Stop Subsidising the Rich!

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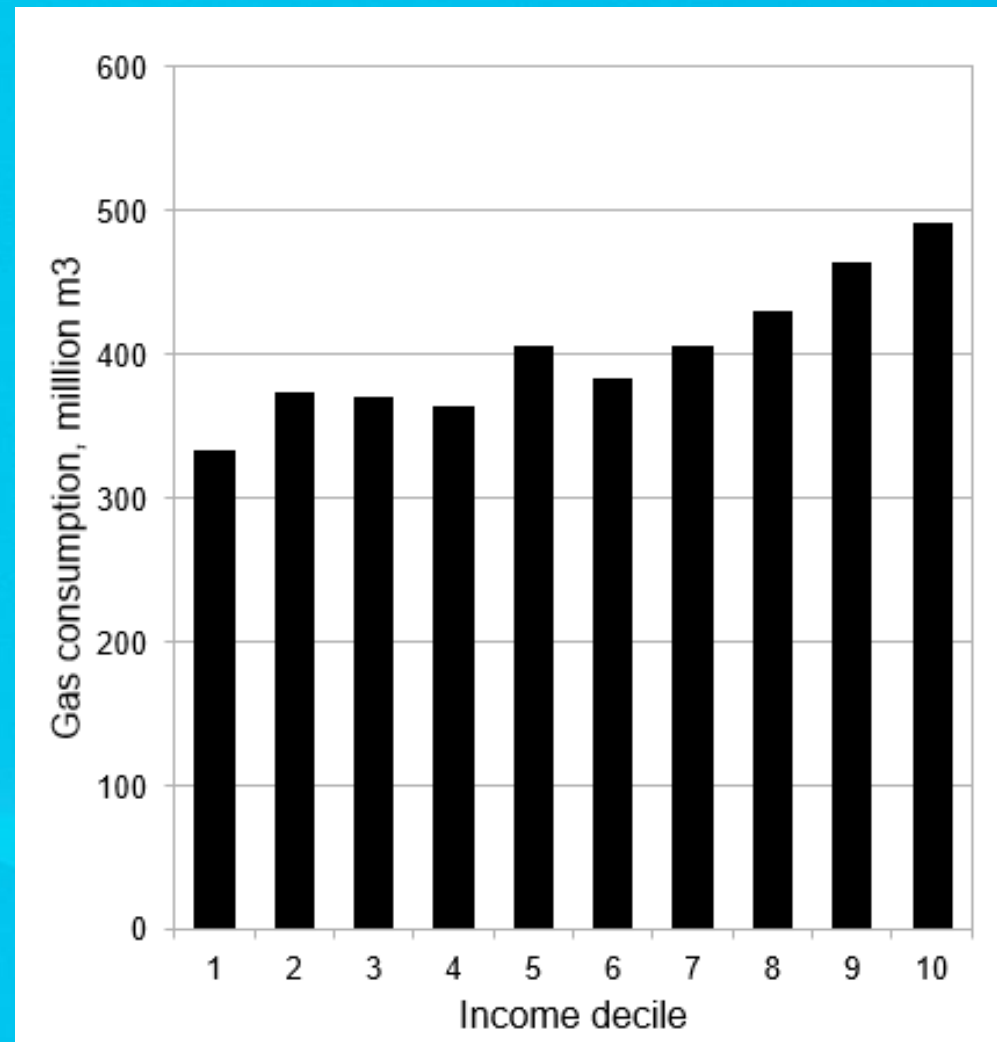
CAN Europe – Social Climate Fund Working Group
05.03.2025

„ETS2 will hit the poor hardest.”

The share of expenditure on household energy from the total expenditure by income decile in Hungary
(1=poorest 10% of the population, 10=richest 10%)



Total annual gas consumption of households in Hungary by income deciles (million cubic metres, average of the years 2012-2021).



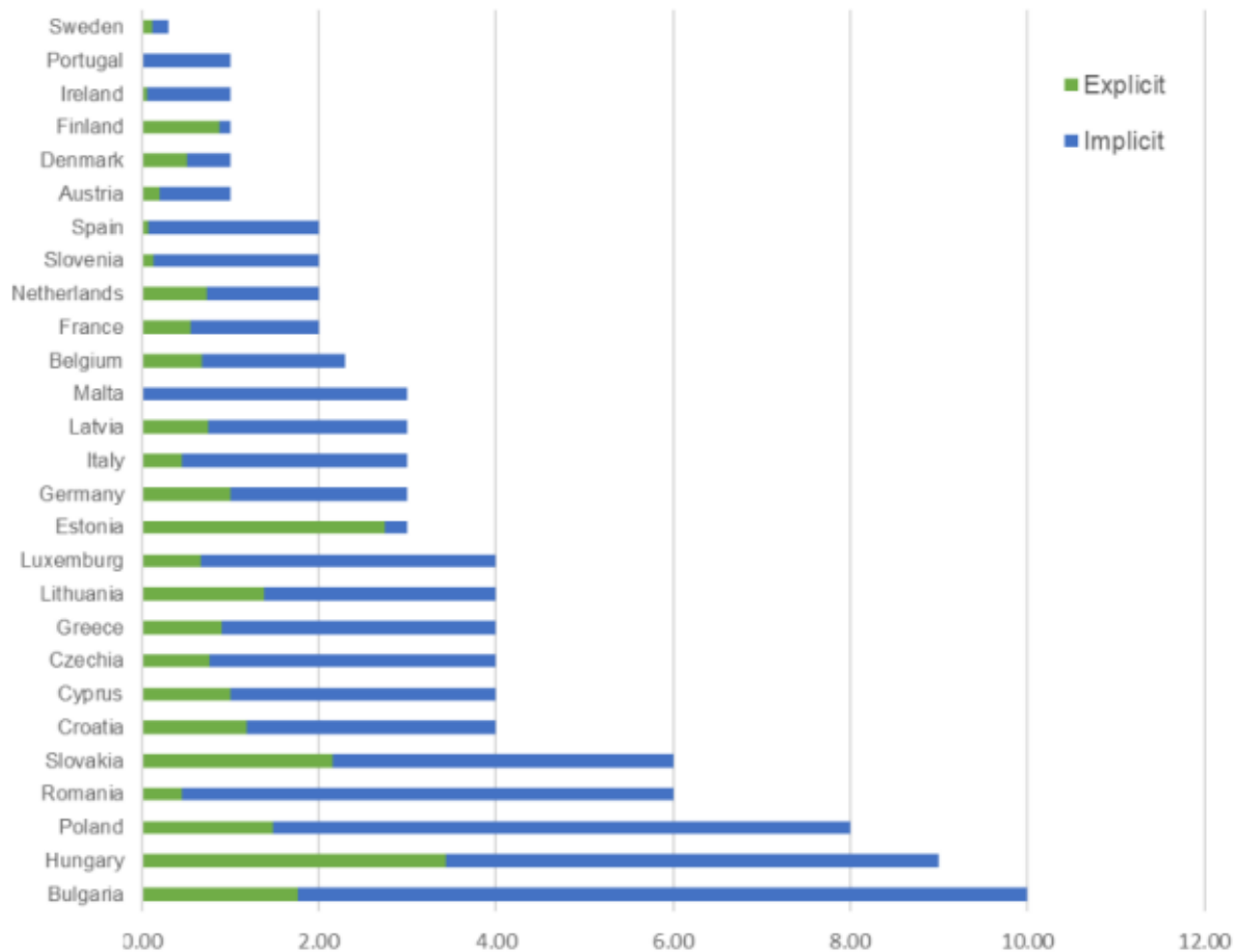
CAAG's graphic, data from the [Journal of Economic Literature](#)

23/12/2024



Fossil fuel subsidies and the European Semester progress or regression?

Figure 4: Explicit and implicit fossil fuels subsidies in 2022, % of GDP



Source: CAN Europe based on International Monetary Fund & Eurostat^{xii}

https://caneurope.org/content/uploads/2024/12/Fossil-fuel-subsidies_European-Semester.pdf

Household expenditure on car purchase and use in Hungary per income decile in 2018 (billion HUF)

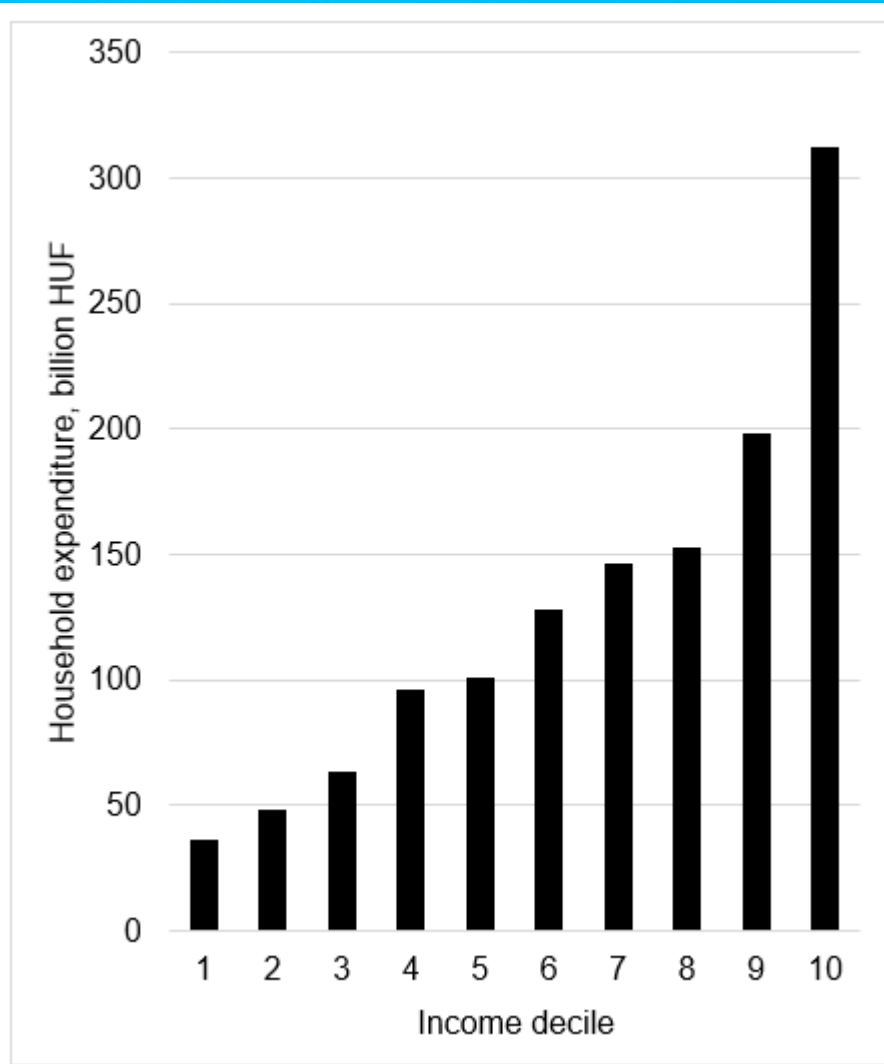
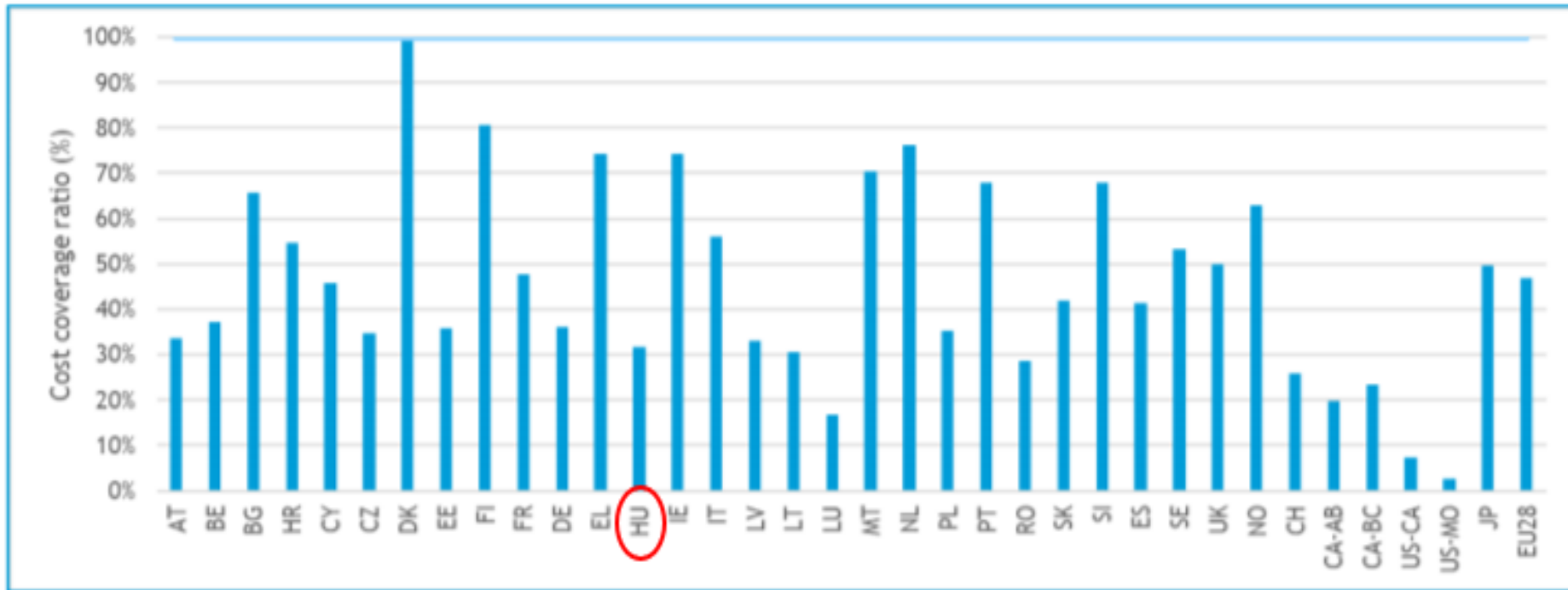


Figure 17 - Overall cost coverage ratio for road passenger transport in the EU28, Switzerland, Norway the US, Canada and Japan



The Solution:

Direct payments (Klimabonus...)

Average per capita external-cost payments for car use, compensation, and the difference between them per decile in Hungary

(CAAG's proposal)

Income decile	1	2	3	4	5	6	7	8	9	10
Payment of external costs (thousand HUF/person)	73	98	129	195	206	260	297	312	403	635
Compensation (thousand HUF/person)	325	325	325	325	325	325	325	325	0	0
Difference (thousand HUF/person)	252	227	196	130	119	65	28	13	-403	-635

<https://www.levego.hu/sites/default/files/kozlekedes-tamogatasdecilisek-en.pdf>

Our Campaign on “Stop Subsidising the Rich!”

The decarbonisation of buildings and road transport is high on the EU's agenda. Two powerful tools, the extension of the [EU Emissions Trading System](#) to cover these sectors (ETS2) and the [Social Climate Fund](#) (SCF) are expected to greatly contribute to this aim. These measures are closely related to households' daily life, making them socially sensitive and, therefore, prone to be used by climate skeptics to undermine the EU's climate policies. EUKI project “ClimateFair Monitor” aims to help build public support for effective carbon pricing and the best use of the revenues thus collected.

by András Lukács, Clean Air Action Group (CAAG, Hungary)

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How can we explain to people that the **current system** is extremely unjust?

ClimateFair Monitor: Towards climate-neutral buildings and road transport



ClimateFair Monitor: Towards climate-neutral buildings and road transport

planning at the national level, identifying obstacles, best practices, lessons learned and mistakes committed.

The decarbonisation of buildings and road transport (DBRT) is high on the EU's agenda. Two powerful tools, the extension of the EU Emissions Trading System to cover these sectors (ETS2) and the Social Climate Fund (SCF) are expected to greatly contribute to this aim. These measures are closely related to households' daily life, making them socially sensitive and prone to be used by climate deniers to undermine the EU's climate policies.

The project aims to monitor the fairness, transparency and efficiency of current and proposed spending in DBRT and SCF, increase awareness among decision-makers and the general public, promote stakeholder participation, and thus help to build public support for effective carbon pricing and the best use of the revenues. The project also monitors the implementation of related policies, programmes and projects as far as the project partners' capacities allow. The project also contributes to the upcoming

Supported by:



Federal Ministry
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and Climate Action



European
Climate Initiative
EUKI

on the basis of a decision
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Zaļā brīvība

https://www.levego.hu/en/campaigns/climatefair_monitor/

Thank you for your attention.

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