

## Role of population heterogeneities in energy consumption behaviour

#### Omkar S Patange, Michael Kuhn

Economic Frontiers Program, International Institute for Applied Systems Analysis (IIASA), Laxenburg, 2361 Austria

#### EERA JP e3s Conference "Fostering changes in energy consumption: a pathway to demand reduction"

Session 1: Behavioural change

26 October 2023

## **Motivation and Background**



- Energy consumption in households space conditioning, cooking, lighting, appliances
- In EU, buildings account for around 40% of total final energy consumption (IEA, 2022)
- Beyond income, population heterogeneities like age, gender, and education are important to understand lifestyle choices and consumption (Muttarak, 2021; Roy et al., 2012)
- Future energy consumption in the EU may get affected by the ongoing demographic transitions (population aging, migration, and female education) (KC & Lutz, 2017; Lutz et. al., 2018)

Sources & Notes: a) and b) Lutz et. al. (2018) Demographic and human capital scenarios for 21<sup>st</sup> century c) IEA (2022) World Energy Outlook. 2030 population projections in b) based on the Shared Socioeconomic Pathways (SSP) - 2 scenario. Energy consumption projections in c) based on the Stated Policy Scenario of the International Energy Agency (IEA)



## **Research Question and Methodology**

# How population heterogeneities interact with life-style change in driving the transition towards more sustainable energy consumption?

- Integrative literature survey synthesis of interdisciplinary evidence to develop new frameworks and research agenda (Snyder, 2019; Torraco, 2005)
- Database(s): Google Scholar
- Keywords related to population heterogeneities and energy consumption (example, "age" + "energy consumption")
- Inclusion criteria: period (2010-2023), context (industrialized economies), language (English) and type of publications (peer-reviewed journal articles)
- Scan abstracts of the shortlisted articles to select key publication
- Scan through the references of selected publication to ensure all relevant articles from our inclusion criteria are considered

## **Preliminary Results**

#### **Age and Generation cohorts**

- Role of age is extensively documented in the literature, older population is associated with higher energy consumption (Estiri & Zagheni, 2019)
- Older households in cold climates invest in energy efficiency and renewables (Pais-Magalhães et. al., 2022)
- Energy consumption also rises from older to younger generations (Bardazzi & Pazienza, 2020)
- Elderly population consumes more gas but less electricity (Brounen et. al., 2012)

#### Gender, Education and Household size

- Debate on gender-energy linkage, activity- versus expenditure-based studies (Grünewald & Diakonova, 2020)
- Single men households consume more energy than single women households (Grünewald & Diakonova, 2020; Räty & Carlsson-Kanyama, 2010)
- Role of gender in household thermostat settings (Sintov et. al., 2019)
- Household size and education level associated with energy conservation behavior (Bedir & Kara, 2017)
- Household's tendency to incorporate the feedback on energy conservation measures goes up with education and age (Aydin et. al., 2018)

#### **Migration**

Energy consumption behavior is shaped by values, beliefs and life choices (Acuner & Kayalica, 2018)

## Key takeaways



Lexis diagram: Energy consumption-Demography Nexus



## Key takeaways

- In general, energy consumption is modelled using average population characteristics (Rao & Wilson, 2022)
- However, population heterogeneities do play an important role in energy consumption behaviour
- Lifestyle and behavioural shift linked with dynamics along the life-cycle, across generations and in terms of changes to the socio-economic composition
- Further, population heterogeneities also interact with contextual factors in determining energy consumption behaviour
- Policy instruments to promote sustainable energy consumption need to consider heterogenous populations with life-cycle and overlapping generations perspective



#### Conceptual framework to understand the role of population heterogeneities in energy consumption behaviour

## References

- Acuner, E., & Kayalica, M. Ö. (2018). A review on household energy consumption behavior: How about migrated consumers? Environmental Economics, 9(4), 8.
- Aydin, E., Brounen, D., & Kok, N. (2018). Information provision and energy consumption: Evidence from a field experiment. Energy Economics, 71, 403–410.
- Bardazzi, R., & Pazienza, M. G. (2020). When I was your age: Generational effects on long-run residential energy consumption in Italy. Energy Research & Social Science, 70, 101611.
- Bedir, M., & Kara, E. C. (2017). Behavioral patterns and profiles of electricity consumption in dutch dwellings. Energy and Buildings, 150, 339–352.
- Brounen, D., Kok, N., & Quigley, J. M. (2012). Residential energy use and conservation: Economics and demographics. European Economic Review, 56(5), 931–945.
- Estiri, H. (2015). A structural equation model of energy consumption in the United States: Untangling the complexity of per-capita residential energy use. Energy Research & Social Science, 6, 109–120. <u>https://doi.org/10.1016/j.erss.2015.01.002</u>
- Estiri, H., & Zagheni, E. (2019). Age matters: Ageing and household energy demand in the United States. Energy Research & Social Science, 55, 62–70. https://doi.org/10.1016/j.erss.2019.05.006
- Grünewald, P., & Diakonova, M. (2020). Societal differences, activities, and performance: Examining the role of gender in electricity demand in the United Kingdom. Energy Research & Social Science, 69, 101719. <u>https://doi.org/10.1016/j.erss.2020.101719</u>
- IEA. (2022). World Energy Outlook 2022. International Energy Agency. https://www.iea.org/reports/world-energy-outlook-2022
- Kc, S., & Lutz, W. (2017). The human core of the shared socioeconomic pathways: Population scenarios by age, sex and level of education for all countries to 2100. Global Environmental Change, 42, 181–192. <u>https://doi.org/10.1016/j.gloenvcha.2014.06.004</u>
- Lutz, W., Goujon, A., Kc, S., Stonawski, M. and Stilianakis, N. (2018). Demographic and Human Capital Scenarios for the 21st Century: 2018 assessment for 201 countries, EUR 29113 EN, Publications Office of the European Union, Luxembourg. <a href="https://doi.org/10.2760/835878">https://doi.org/10.2760/835878</a>
- Muttarak, R. (2021). Demographic perspectives in research on global environmental change. Population Studies, 75(sup1), 77–104. https://doi.org/10.1080/00324728.2021.1988684
- Pais-Magalhães, V., Moutinho, V., & Robaina, M. (2022). Is an ageing population impacting energy use in the European Union? Drivers, lifestyles, and consumption patterns of elderly households. Energy Research & Social Science, 85, 102443. <u>https://doi.org/10.1016/j.erss.2021.102443</u>
- Rao, N. D., & Wilson, C. (2022). Advancing energy and well-being research. Nature Sustainability, 5(2), Art. 2. <u>https://doi.org/10.1038/s41893-021-00775-7</u>
- Räty, R., & Carlsson-Kanyama, A. (2010). Energy consumption by gender in some European countries. Energy Policy, 38(1), 646–649. https://doi.org/10.1016/j.enpol.2009.08.010
- Roy, J., Dowd, A.-M., Muller, A., Pal, S., & Prata, N. (2012). Lifestyles, well-being and energy. In Global Energy Assessment (GEA) (pp. 1527–1548). Cambridge University Press.
- Sintov, N. D., White, L. V., & Walpole, H. (2019). Thermostat wars? The roles of gender and thermal comfort negotiations in household energy use behavior. PLOS ONE, 14(11), e0224198. <a href="https://doi.org/10.1371/journal.pone.0224198">https://doi.org/10.1371/journal.pone.0224198</a>
- Snyder, H. (2019). Literature review as a research methodology: An overview and guidelines. Journal of Business Research, 104, 333–339. <u>https://doi.org/10.1016/j.jbusres.2019.07.039</u>
- Torraco, R. J. (2005). Writing Integrative Literature Reviews: Guidelines and Examples. Human Resource Development Review, 4(3), 356–367. <u>https://doi.org/10.1177/1534484305278283</u>



### Thank you!

patange@iiasa.ac.at kuhn@iiasa.ac.at