

# Effets sur le pouvoir d'achat de l'augmentation récente des prix de l'énergie et sur une manière d'y remédier

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## ABSTRACT

This paper shows that the present wage indexation mechanism prevailing in Belgium has some important drawbacks when it is confronted with a large price shock on energy products especially the gaz and electricity prices. Given that the share of gaz and electricity consumption is large for low income households and small for high income households, the indexation of wages and transfers does not preserve low income earners from losing purchasing power but it does also increase the purchasing power of high income earners dissuading them to save energy. In other words, the indexation mechanism in presence of large energy shocks misses two objectives: social justice and CO<sub>2</sub> emission reduction.

**Keywords:** Energy prices, indexation mechanism, purchasing power, green growth

**JEL Classification Code:** D31, E24, E31, E64