Project on the Public Acceptability of Climate Change Mitigation Policies

Background and motivation

Developments over the past few years have shown that actions to address climate change can be particularly difficult to implement, even when the objective of limiting global warming is broadly accepted. Relative to many other reform areas, the challenge of public acceptability is in this case further complicated by the public good nature of the climate issue: there is an additional need to convince voters that domestic action to reduce greenhouse gas (GHG) emissions is worth taking, in spite of uncertainties regarding other countries' commitments and determination to honour them.

To some extent, resistance from various constituencies to climate change mitigation action arises from legitimate concerns regarding distributional and competitiveness impacts, as well as from the familiar challenge of overcoming the gap between the up-front and concentrated nature of the costs versus the more diffuse and deferred nature of benefits. Public resistance may also owe to a large extent to misconceptions or ignorance by households about the consequences of climate change as well as on the impact of mitigation actions both on the economy and the environment. Yet, addressing misconceptions may not be easy insofar as they are influenced by people's personal situations, country specificities, political affiliations, all of which can contribute to the persistence of beliefs.

Purpose and objectives of the project

The project will seek to understand key aspects around the public acceptability of the energy transition – with a focus on climate change mitigation – across a number of OECD and non-OECD countries with diverse economic structures, levels of income, electoral systems, etc.

Before constructing a policy framework for countries' energy transition, it is important to identify the main challenges that a policy strategy may encounter and how to address these challenges. A key element for success is a good understanding of peoples' knowledge, perceptions and attitudes vis-à-vis climate change impacts and the policy tools to address them, including the costs and benefits of such policies. The purpose of the proposed work is precisely to fill this knowledge gap, which will also help designing appropriate policy packages.

Harvard Professors Stefanie Stantcheva and Alberto Alesina have developed a methodology based on large-scale surveys to understand and apprehend the political economy of reforms. The current proposal is to work with Prof. Stancheva to apply the methodology to gain valuable insights on the political economy of climate change mitigation. The objective is to conduct large-scale surveys (2000 households per country) in a sample of countries that would be as large and diverse as possible, ideally covering all the major regions of the world.

Overview of research aims

The project aims to understand five specific elements of the public acceptability of the energy transition:

1. **The impact of climate change:**

- ► Assess the current level of understanding of (or belief in) the **impacts of climate change** with a consistent methodology across countries.
- ► Assess if individuals **update their beliefs** on the impacts of climate change after receiving additional information, and evaluate to what extent respondents trust the additional information.

2. **From climate risks to climate policies:**
   - ► Assess to what extent respondents' risk perceptions translate into support for policy action.
3. **The impacts of climate policies:**
   - ► Assess perceptions of the **economic** and **environmental impacts** of climate **policies**.
   - ► Assess if respondents **update their beliefs** on the economic and environmental impacts of climate policies after receiving new information, and evaluate to what extent respondents trust the additional information.
4. **Policy preferences:**
   - ► Assess preferences over specific **climate policy options** (e.g. carbon tax, subsidies for low-carbon goods and services, emissions standards etc.).
   - ► Assess if respondents **update** their **beliefs** on climate policy options after receiving new information, and evaluate to what extent respondents trust the additional information.
5. **Linking socio-economic characteristics, environmental behaviour, and policy framings to public perceptions of climate change and climate policies.**

Main questionnaire:

The main components of the questionnaire would include information on respondents as well as questions on perception of both climate change and of the policy remedies:

- Background information on respondents: income level, location, location and sector of work, qualification, age, gender, number of children, political affiliation, etc.
- Perception of climate change by respondents: relevance for their countries, relevance for their generation, concrete apprehensions, possible effects on the economy and on well-being more generally;
- Understanding of policy tools, awareness of national policies and international commitments;
- Perceptions of policy impacts: environmental effectiveness (e.g. perceived price-elasticity of energy consumption), impacts on households' revenues and on competitiveness;
- Policy preferences because of their perceived effects: carbon price/tax, cap and trade, command-and-control regulation (e.g. emissions standards), subsidies, public investment, etc.
- Understanding of, and preferences for, use of revenues and compensation tools: subsidies for low-carbon goods and services, public transport, social housing, tax rebates, assistance for energy or fuel bills.

Example Questions:

- What are the expected impacts of climate change in your country?
- Are you worried about the impact of climate change on your children's generation?
- What do you think are the likely effects on carbon emissions if the government decides to increase energy prices by 10%?
- If the government decides to mitigate climate change by increasing energy prices, what do you think are the likely impacts on the economy?
- How much would you be willing to pay annually to help mitigate climate change?
- If your government decides to mitigate climate change, which policy measures would you prefer?