



UNIVERSITY OF
GOTHENBURG

INCLUSIVE GREEN ECONOMY IN PRACTICE



Briefing note

Green Economy Reform

– social inclusion and policy instrument support

Niklas Harring

Title: Green Economy Reform – social inclusion and policy instrument support

Author: Niklas Harring

Publisher: University of Gothenburg. Inclusive Green Economy

ISBN: 978-91-987472-0-1

Briefing Highlights

- Analyzing policy attitudes is important for understanding environmental policy feasibility.
- Pure self-interest is not sufficient to explain people's policy positions. There are other factors that are also important for policy attitude formation.
- Policy packaging, earmarking and revenue recycling can potentially change people's policy positions.

Citation: Haring, N. (2021) *Green economy reform – social inclusion and policy instrument support* University of Gothenburg. Inclusive Green Economy 978-91-987472-0-1

This Briefing Note was written within the Sida-financed capacity development program on Inclusive Green Economy for senior civil servants and policy makers in East Africa. Read more about the program on Efd's webpage: [To efd.org](https://www.efd.org).

Niklas Haring, Associate Professor, Department of Political Science, University of Gothenburg, niklas.haring@pol.gu.se.

GOTHENBURG CENTRE FOR SUSTAINABLE DEVELOPMENT (GMV)



CHALMERS
UNIVERSITY OF TECHNOLOGY



UNIVERSITY OF GOTHENBURG



Contents

Introduction	4
The importance of policy support.....	4
Social inclusion	5
An account of individual and contextual factors linked to policy support	6
Results from non-OECD countries	9
Implications for policymakers	10
Methods and tools to understand public support	11
Recommended readings	12
References.....	13

Introduction

International agreements, such as the Paris Agreement, and ongoing and future environmental crises, are increasing the pressure on governments around the world to implement environmental reforms. In this briefing note, we discuss the public support of such reforms with a specific focus on policy instruments targeting, or directly affecting, individual consumers, such as CO₂ taxes on fuels and bans on plastic bags. First, we examine why public support is essential for the introduction and implementation of environmental policy instruments, and discuss both how policy support is defined and which factors are linked to it, both at an individual level and in terms of contextual factors. Furthermore, we discuss the generalizability of previous findings, where most studies have been performed in OECD countries, and review some findings from the African continent. Moreover, we explore and discuss studies that have looked at policy packaging and policy solutions that people find more or less appealing. Finally, we review methods and techniques to capture policy attitudes.

The importance of policy support

Public support is important from both a normative and a more practical perspective. Based on democratic principles, it is important that the pursued policies are accepted by the general public. From a practical point of view, there is a high risk that these types of policies will encounter problems without general support (Jagers, Matti & Haring, 2021). First, we risk social unrest, as was the case, e.g., when the French government introduced a climate tax in 2018, which was followed by the so-called *gilets jaunes* protests (Carattini et al., 2019). Increases in fuel prices can be a sensitive issue. For example, when the Nigerian government decided to remove subsidies on fossil fuels in 2012, it was followed by strikes and protests (Akanle et al., 2014). Secondly, it is unlikely that politicians, interested in their political survival, will launch these types of reforms if there is low public support (Burstein, 2003; Matti, 2015), and finally, research has shown that if policies are perceived as legitimate and

accepted, the degree to which citizens actually comply with them increases (Tyler, 2006; Stern, 2008).

In this short note, we consistently use the term *policy support*. However, to understand and analyze public sentiments, it can sometimes be important to differentiate between policy acceptance, acceptability, and support, where *acceptability* is defined as a passive evaluative response to a not yet introduced policy, e.g., a policy proposal on a CO₂ tax, *acceptance* is a passive evaluative response to an already introduced policy, and public *support* is an active evaluation of an existing policy, for example linked to behavior (e.g., voting in favor of a policy) (Kyselá et al., 2019). Making such distinctions can be important when evaluating attitudes to policy. It is not necessarily the case that people need to strongly endorse or support a policy for it to be functional, but there needs to be some kind of acceptance, in the sense that it does not trigger protests or policy evasion. Furthermore, it is difficult for people to evaluate the consequences of a not yet introduced policy for themselves and society and there is research showing that people's attitudes can change after experiencing the effects of a policy. We have, for example, seen how "trial introductions" of policies, when people can evaluate the pros and cons, have changed public discourses and sentiments. Hence, one way to reach public support can be to introduce policies on a trial basis (Schuitema et al., 2010).

Social inclusion

A related concept is social inclusion, which has been defined as "the process of improving the terms of participation in society for people who are disadvantaged based on age, sex, disability, race, ethnicity, origin, religion, or economic or another status, through enhanced opportunities, access to resources, voice and respect for rights" (United Nations, 2016, p. 19; Commission of the European Communities, 2003, p. 9). Hence, for social inclusion, it is important that multiple segments of a community have been involved in designing these policies, and also to what extent groups in the community experience that policies are unfair.

Hence, it cannot be determined whether a policy is feasible and inclusive by just focusing on whether there is majority support. Instead, an analysis must consider whether certain groups will perceive being unfairly affected by the policy. We know from research that the perceived unfairness of environmental policy reforms is one of the most important predictors of resistance and social unrest (Bergquist et al., 2022; Maestre-Andres et al., 2019). Hence, compensating for such unfairness might be a good way to design feasible environmental policy. At the same time, if we take social inclusion seriously, it is important to note that some groups may be marginalized to the extent that they do not even have the opportunity to protest against the reforms.

An account of individual and contextual factors linked to policy support

A fundamental factor that determines whether individuals will choose to support or reject environmental policies is the extent to which they, or the group to which they belong, will be affected by the reform, both in terms of costs, such as increased prices on consumer goods that are important to them, and in terms of benefits, such as improved air quality (Jacobsson et al., 2000). We have seen division based on for example material differences between rural and urban communities or rich and poor (Chamorel, 2019).

However, pure self-interest is not sufficient to explain people's policy positions. There are other factors, at the individual level, that are important for policy attitude formation as well. One way to categorize these factors is to speak in terms of internal, external, and inter-relational factors and policy-specific beliefs. An example of an *internal factor* is people's fundamental values (e.g., a distinction between altruistic, egoistic, and biospheric values). Such value scales have been claimed to be universal (Bouman & Steg, 2019; Bouman et al., 2021) and argued to be linked to people's beliefs and concerns regarding environmental degradation, where people with self-transcendent values are more likely than people with self-enhancing values to prioritize the environment and hence more likely to support environmental policies (De Groot & Steg, 2007; Matti, 2015; Stern, 2000). Hence, this is then linked to

people's concern regarding environmental degradation and their own personal responsibility (Stern, 2000; Matti, 2015). Similar concepts, more often used within political sociology, are *ideological position* and that different individuals have different views on the role of the state and market intervention (Dunlap et al., 2001)

Moving on to *inter-relational factors*, research has shown that trust is an important factor in understanding policy attitudes (Harring & Jagers, 2013). If people have trust in institutions such as the current government and the public administration implementing and administering the policy, there is a higher likelihood they will support policy interventions. In contrast, if politicians or bureaucrats have a reputation of behaving inadequately and being corrupt, only looking after themselves or the group to which they belong, people will respond accordingly. People simply do not want to risk losing money in a corrupt system. Studies on environmental policy preferences have shown that this is particularly important for economic instruments.

Research has also explored the intricate role of trust in others. On the one hand, if people do not trust other people to do their part (for example to act in an environmentally friendly manner), they are likely to demand more regulation (Aghion et al., 2010; Harring, 2016). On the other hand, people must trust that others will comply with the policy for them to support it. If people evade taxes or claim subsidies they are not entitled to, this is theorized to lower public support for certain climate policy instruments (Davidovic & Harring, 2021; Harring, 2016).

An additional factor, which has come to be known as *policy-specific beliefs*, concerns whether the instruments are perceived as fair, restrictive of personal freedom, and effective. Such policy-specific beliefs, especially beliefs about whether a policy is fair, are argued to be the most significant determinants of public opinion about climate policy measures (Bergquist et al., 2022). For example, people can be reluctant to a policy because they perceive that it affects the poor disproportionately (even if they are not poor themselves). But ideas about unfair distribution can also apply to distribution of resources between other actors or entities. For example, people can

perceive that other countries than their own have caused the high amount of greenhouse gases in the atmosphere, and that it is therefore not fair that their own country should introduce climate change mitigation policies and take on certain costs (cf. Maestre-Andres et al., 2019). Similarly, whether the policy in question is considered to restrict people's freedom and whether it is effective in achieving its aims also affect policy support (Eriksson et al., 2008). For example, people may be concerned and think that the plastic contaminants are problematic, but at the same time they may not consider a "plastic ban" to be particularly effective, for example since they may not believe that most vendors will comply as authorities will not have the opportunity to monitor and punish violators.

Furthermore, we know that *external* or *contextual* factors matter for policy attitudes, such as the level of economic development, the quality of public institutions, or aspects such as historical and cultural perspectives on the state's role in the economy. The idea that economic development generates value changes that in turn lead to increased support for environmental policies has been influential (Inglehart, 1995), but it has also received a lot of criticism (Dunlap & York, 2008).

Another contextual factor that has received a lot of attention in recent years is the quality of political institutions (i.e., how transparent and well-functioning institutions are). Some studies show that the quality of the political institutions may play a role in understanding why people support environmental policy instruments. This is linked to the individual-level factor of political trust, discussed above. Several studies show that in particular economic instruments are disliked in a corrupt context (Davidovic et al., 2019; Davidovic & Haring, 2020; Fairbrother et al., 2019; Haring, 2016). Suggested explanations for this finding include that it is particularly unpopular to pay taxes in corrupt settings, since taxes in corrupt regimes have been used for private purposes and not for the provision of public or collective goods.

Other studies have suggested that economic equality matters for policy support, more specifically arguing that perceived distributional effects of, e.g., environmental taxes, matter more in economically unequal societies. However, it is hard to identify contextual factors in international surveys as the covariation between many of these contextual factors is strong. The countries with the most well-functioning public institutions are also those that are most economically equal and have high levels of economic development (Harring, 2014).

To achieve public support, for example by adjusting policies to be more in line with people's fairness perceptions, we have seen proposals and examples of *policy packaging*, *earmarking*, and *revenue recycling* that change people's policy positions (Fesenfeld et al., 2019). For example, a climate tax on fossil fuels can be combined with a subsidy on a substitute so that the reform does not have net negative consequences for the individual consumers. Another way is to earmark the income from a tax to compensate for potential injustices. The general conclusion from these types of reforms is that earmarking and revenue recycling increase the support, but that the effects vary between countries (Carattini et al., 2015; Maestre-Andres et al., 2019; Fesenfeld et al., 2019).

Results from non-OECD countries

An important aspect to consider in reviewing the research on environmental policy support is the strong OECD bias in the literature. Most of the studies have been performed in OECD countries, most likely since we have seen the introduction of more green reforms in these nations. There are however studies showing that at least some findings are generalizable to other contexts. In a recent study using Pew Research Center's "Global Attitudes" survey, Adugu (2020) analyzes climate policy support in a number of African countries (South Africa, Nigeria, Ghana, Senegal, Uganda, Kenya, Ethiopia, Tanzania, and Burkina Faso). The results show that public support for climate policy ("limiting greenhouse emissions as part of Paris agreement") in these countries is linked to awareness of climate risk ("severe

weather like floods or severe storms") and climate concern ("global climate change will harm you personally").

An interesting finding is that the populations in several of these countries (e.g., Uganda, Kenya, and Ethiopia) are not claiming that rich countries are responsible for solving the climate crisis but instead agree with the statement that "developing countries should do as much as the rich." Others (Ofoegbu et al., 2016) have shown that certain groups, in their case the rural population in South Africa, can be concerned about the consequences of climate change but not very familiar with the specific term *climate change*.

Implications for policymakers

Based on this review, there are things to consider before introducing green economy policies (building on Jagers, Matti & Harring, 2021):

1. Perceptions that some groups will gain or be the "winners" of a policy while others will lose will trigger people's perceptions about unfairness and in the end policy rejection. In democratic countries, governments that introduce such policies risk being punished by the electorate. To avoid this, it is important to build political alliances and acceptance from various groups and political actors, so that the reform will not be cancelled after a shift in government (Klenert et al., 2018).
2. Furthermore, providing alternatives or substitutes could be a way to increase acceptance so that the citizens do not feel constrained. For example, investments in public transportation can be made to compensate for congestion charges or other restrictions on private fossil-fuel-based vehicles.
3. Trial periods can change people's attitudes. As mentioned above, when people have an opportunity to evaluate the consequences and the effectiveness of a policy, e.g., a congestion charge that may change their policy position (Schuitema et al. 2010).
4. Policymakers should consider which actors to target. A general finding is that people are more reluctant to policy targeting individual consumers rather than producers or manufacturers (Harring et al., 2018; Harring, 2016).

5. It may be hard to build support for policies targeting a global problem such as climate change mitigation, but linking mitigation efforts to local adaptation policies could be a way to increase such public support. Hence, in order to increase public support, policymakers can link revenues from climate change mitigation efforts to expenditures for national adaptation efforts in that country.
6. Earmarking could be a way to compensate for low political trust, if people do not trust politicians and decision-makers to use the tax revenues in a good way (Carattini et al., 2015). On that note, in corrupt contexts, it is of course important that policy instruments do not contribute to even more opportunities for inappropriate behavior or corruption (Klenert et al., 2018).
7. One way to compensate for unwanted distributional consequences could be to compensate “policy losers,” e.g., poor rural households, for example by means of lump-sum transfers (Carattini et al., 2015)

Methods and tools to understand public support

So, policy support and social inclusion are important factors for policy feasibility. Several different methods can be used to assess public sentiments, including interviews and surveys. While interviews can be a way to gain a more nuanced understanding of people’s positions, surveys, based on population samples, can say something about the more general attitude in society. There are some things to keep in mind. First, it is possible to capture the intensity of people’s attitudes by using scales where they can indicate how strongly they support or reject a policy. Second, by using surveys, policymakers and researchers can potentially learn something not just about the overall general attitude but also about whether there are strong discrepancies between different groups in society.

It is of course important to pay attention to potential contextual variation and use the correct sampling techniques. As Browne Nuñez & Jonker (2008, p. 48) conclude: “Researchers face several difficulties when conducting social surveys in Africa—language barriers and cultural differences between researchers and the local people, population dispersal, lack of census information, transportation limitations, respondents’ lack of experience with survey research and willingness to participate in surveys, and security concerns. Each of these concerns may affect methodology. Making meaningful comparisons when the specificity of methods and

constructs vary or are unknown across studies may lead to misinformed decisions and recommendations.”

Recommended readings

Carattini, S., Carvalho, M., & Fankhauser, S. (2017). How to make carbon taxes more acceptable. *London: Grantham Research Institute on Climate Change and the Environment, and Centre for Climate Change Economics and Policy, London School of Economics and Political Science.*

Drewe, S., & Van den Bergh, J. C. (2016). What explains public support for climate policies? A review of empirical and experimental studies. *Climate Policy*, 16(7), 855-876.

Jagers, Matti & Harring (2021), How to generate public acceptability for carbon taxes *United Nations Handbook on Carbon Taxation for Developing Countries.* United Nations, New York

References

- Adugu, E. (2020). Determinants of Support for Climate Change Efforts in the Global South. *European Journal of Sustainable Development*, 9(1), 455-455.
- Aghion, P., Algan, Y., Cahuc, P., & Shleifer, A. (2010). Regulation and distrust. *The Quarterly journal of economics*, 125(3), 1015-1049.
- Akanle, O., Adebayo, K., & Adetayo, O. (2014). Fuel subsidy in Nigeria: contexts of governance and social protest. *International Journal of Sociology and Social Policy*.
- Ali, M., Fjeldstad, O. H., & Sjørnsen, I. H. (2014). To pay or not to pay? Citizens' attitudes toward taxation in Kenya, Tanzania, Uganda, and South Africa. *World development*, 64, 828-842.
- Bergquist, M., Nilsson, A., Harring, N. & Jagers, S.C. (2022) Meta-analyses of fifteen determinants of public opinion about climate change taxes and laws. *Nature Climate Change* 12, 235–240.
- Bouman, T., van der Werff, E., Perlaviciute, G., & Steg, L. (2021). Environmental values and identities at the personal and group level. *Current Opinion in Behavioral Sciences*, 42, 47-53.
- Bouman, T., & Steg, L. (2019). Motivating society-wide pro-environmental change. *One Earth*, 1(1), 27-30.
- Browne-Nuñez, C., & Jonker, S. A. (2008). Attitudes toward wildlife and conservation across Africa: a review of survey research. *Human Dimensions of Wildlife*, 13(1), 47-70.
- Carattini, S., Kallbekken, S., & Orlov, A. (2019). How to win public support for a global carbon tax. *Nature*, 565, 289–291. doi: 10.1038/d41586-019-00124-x
- Carattini, S., Carvalho, M., & Fankhauser, S. (2017). How to make carbon taxes more acceptable. *London: Grantham Research Institute on Climate Change and the Environment, and Centre for Climate Change Economics and Policy, London School of Economics and Political Science*.
- Chamorel, P. (2019). Macron versus the yellow vests. *Journal of Democracy*, 30(4), 48-62.
- Davidovic, D., & Harring, N. (2020). Exploring the cross-national variation in public support for climate policies in Europe: The role of quality of government and trust. *Energy Research & Social Science*, 70, 101785.

Davidovic, D., Haring, N., & Jagers, S. C. (2020). The contingent effects of environmental concern and ideology: institutional context and people's willingness to pay environmental taxes. *Environmental Politics*, 29(4), 674-696.

De Groot, J. I., & Steg, L. (2007). Value orientations and environmental beliefs in five countries: Validity of an instrument to measure egoistic, altruistic and biospheric value orientations. *Journal of Cross-Cultural Psychology*, 38(3), 318-332.

Dreus, S., & Van den Bergh, J. C. (2016). What explains public support for climate policies? A review of empirical and experimental studies. *Climate Policy*, 16(7), 855-876.

Dunlap, R. E., Xiao, C., & McCright, A. M. (2001). Politics and environment in America: Partisan and ideological cleavages in public support for environmentalism. *Environmental politics*, 10(4), 23-48.

Dunlap, R. E., & York, R. (2008). The globalization of environmental concern and the limits of the postmaterialist values explanation: Evidence from four multinational surveys. *The Sociological Quarterly*, 49(3), 529-563.

Eriksson, L., Garvill, J., & Nordlund, A. M. (2008). Acceptability of single and combined transport policy measures: The importance of environmental and policy specific beliefs. *Transportation Research Part A: Policy and Practice*, 42(8), 1117-1128.

Fairbrother, M., Sevä, I. J., & Kulin, J. (2019). Political trust and the relationship between climate change beliefs and support for fossil fuel taxes: Evidence from a survey of 23 European countries. *Global Environmental Change*, 59, 102003.

Fesenfeld, L. P., Wicki, M., Sun, Y., & Bernauer, T. (2020). Policy packaging can make food system transformation feasible. *Nature Food*, 1(3), 173-182.

Haring, N. (2016). Reward or punish? Understanding preferences toward economic or regulatory instruments in a cross-national perspective. *Political Studies*, 64(3), 573-592.

Haring, N. and S.C. Jagers (2013), 'Should We Trust in Values? Explaining Public Support for Pro-Environmental Taxes', *Sustainability*, 5, 210-227.

Jakobsson, C., S. Fujii and T. Gärling (2000), 'Determinants of private car users' acceptance of road pricing', *Transport Policy*, 7, 153-158.

Jagers, Matti & Haring (2021), How to generate public acceptability for carbon taxes Handbook on Carbon Taxation for Developing Countries, United Nations, New York

Kyselá, Eva, Scasný, Milan & Zverinová, Iva. (2019). Attitudes toward climate change mitigation policies: a review of measures and a construct of policy attitudes. *Climate Policy* 19 (7): 878-892.

Maestre-Andrés, Sara, Drews, Stefan & van den Bergh, Jeroen. (2019). Perceived fairness and public acceptability of carbon pricing: a review of the literature. *Climate Policy* 19 (9):1186-1204.

Ofoegbu, C., Chirwa, P. W., Francis, J., & Babalola, F. D. (2016). Conceptualising climate change in forest-based rural areas of South Africa: community perceptions and attitudes. *International Forestry Review*, 18(3), 319-333.

Schuitema, G., Steg, L., & Forward, S. (2010). Explaining differences in acceptability before and acceptance after the implementation of a congestion charge in Stockholm. *Transportation Research Part A: Policy and Practice*, 44(2), 99-109.

Stern, M.J. (2008), 'Coercion, voluntary compliance, and protest: the role of trust and legitimacy in combating local opposition to protected areas', *Environmental Conservation*, 35 (3), 200-210.

Tyler, T. R. (2006). *Why people obey the law*. Princeton University Press.

United Nations (2016). *Leaving no one behind: The imperative of inclusive development*. Report on the World Social Situation 2016, Economic & Social Affairs. New York, 2016. United Nations
<https://www.un.org/esa/socdev/rwss/2016/chapter1.pdf>