

IDEOLOGICAL STRUCTURE AND ATTITUDES TOWARDS ENERGY TAX OVER TIME - A STUDY OF THE NORWEGIAN PUBLIC

MARIANNE AASEN AASEN

CICERO CENTRE FOR CLIMATE RESEARCH.

Norway is a small contributor to the total global greenhouse gas emissions, but has high per capita emissions. The country has an ambitious national commitment of reducing emissions with 30 per cent within 2020 (from 2005 level), of which 2/3 are supposed to be domestic reductions. It seems, however, difficult to implement national policy instruments to achieve this target; few instruments have been introduced and emissions are increasing. The importance of values has gained interest in studies of environmental behavior, but less when it comes to acceptance of specific policy instruments. This paper will look into the public acceptance of environmental tax on energy.

There is a substantial literature on the effects of monetary incentives. Field studies and experiments suggest that people respond to monetary incentives as expected according to economic theory. However, when it comes to social dilemmas, that environmental problems often represent, the literature shows that monetary incentives may not be the optimal intervention to stimulate people to contribute. Firstly, the tax levels required to achieve the intended environmental effects are often not accepted by the public, and the resulting tax level may end up inefficiently low. Some experimental studies and empirical studies support the hypothesis that taxes that are explained or that appeal to social responsibility are more acceptable to the public. Further, perceived distributional fairness of the tax, trust in the regulator, and a belief that environmental taxes actually lead to environmental improvement are important factors for the attitudes towards environmental taxes. Secondly, studies show that monetary incentives may “crowd out” or undermine internal motivations where these exist initially, and lead to behavioral changes in the opposite direction of what is wanted. It is not always straightforward to foresee the effects from the signals a tax send; a change in price due to tax policies may give a different response than a corresponding price change due to production change. In order to design environmental policies that are effective and acceptable to the public, it is important to understand public attitudes towards such policy instruments.

This study contributes to this understanding by investigating the importance of a set of attitudinal variables and value orientation for public attitudes towards tax on energy. More specifically, the study consists of statistical analysis to explore 1) the relevance of Sterns Value-Belief-Norm theory on attitudes towards energy tax, 2) the importance of a set of other factors on attitude towards energy tax, and 3) the development of 1) and 2) over time. The data is collected from a comprehensive national survey conducted every second year since 1989-2009, that consists of a representative random sample of 3500 respondents in the Norwegian population. The dependent variable in this study is the grade of agreement with the attitude statement: “We should increase the price on all energy (gas, oil, paraffin, electricity etc) to reduce the consumption and hereby the environmental pollution”. Two sets of independent variables are to be analyzed. The first set corresponds to the variables in Stern’s general framework to examine the relationship between values (here two value dimensions: openness to change versus traditional values, self-enhancement versus self-transcendence), specific beliefs (here beliefs about global warming), ascription of personal responsibility (to reduce energy consumption), and policy support (here energy tax). We analyze further the importance of a second set of factors on attitudes towards energy tax: which political party respondents vote for, b) trust in government, and c) socioeconomic variables as income

and education level. It is specifically interesting to investigate whether an increased concern over global warming adds to the group of positive attitudes towards policy interventions, whether and how the public opinion regarding energy tax has evolved with the increased attention on global warming.

This paper analyses and discusses the relevance of value orientation and specific beliefs for attitudes towards energy taxes, and their relevance over time. Further, it contributes to the understanding of responses to environmental taxes, as it adds to the economists' model of price-elasticity with its focus on explaining attitudes.