



**Harvard Kennedy School Energy Policy Seminar Series, Fall 2013**

## **Regulating emissions: What do Americans want?**

**Monday, September 16, 2013**

Why do people seem to prefer the most inefficient approach to reducing carbon emissions? While economists and other public policy experts have worked hard to develop least-cost approaches to reducing carbon emissions, such as cap and trade and carbon taxes, the approach that gets the most popular support is one that is likely to be quite inefficient—across-the-board regulatory emission limits.

Harvard government professor Stephen Ansolabehere discussed how years of survey research can be applied to understanding this puzzle at an HKS energy policy seminar on Monday, September 16.

Ansolabehere reported on the results of ten years of survey research collecting opinions about a full spectrum of energy sources and multiple possible energy policies. The survey results found that people do care about environmental harms associated with energy production and use, including the risk of global warming. This concern translates into 70%-80% of those surveyed expressing support for government setting limits on these emissions. However, levels of support are substantially lower for the major policies that many economists believe would be significantly more efficient than across-the-board limits—cap and trade (45-55% support) and carbon taxes (25-45% support).

Why, Ansolabehere asked, do people seem most supportive of direct government regulation, which many economists consider to be the least efficient climate policy approach? A careful analysis of the data reveals an interesting correlation. Not only are people more likely to support regulation if they are concerned about climate change, they are also more likely to support regulation if they are concerned about other forms of fossil fuel emissions, such as particulates.

This concern about local pollutants, Ansolabehere suggested, may be what tips the balance in favor of universal regulatory limits, rather than cap and trade or taxes. Americans may favor regulation because they (correctly) believe that in many cases, regulations aimed at greenhouse gas emissions will also result in reductions in other pollutants.

All this suggests that what some economists may see as Americans' irrational preference for inefficient policies may be more rational than it looks—Americans prefer a policy which they perceive as bringing additional environmental benefit.

Such co-benefits might also come along with cap and trade or carbon tax policies—but if this is true, Ansolabehere argued, it has not been effectively communicated to the public. The exception that proves the rule may be California, Ansolabehere noted, where Californians overwhelmingly voted in support of a cap and trade scheme after a campaign that emphasized, not climate, but the health benefits of the measure resulting from cleaner air and water.

Ansolabehere argued that this suggests the importance of a more holistic approach to policy debates, recognizing the linkages between environmental, energy, and climate policy.

Ansolabehere and co-author David Konisky will be publishing their survey findings in a book, *Cheap and Clean: How Americans Think About Energy In the Age of Global Warming*.

The Energy Policy Seminar Series is jointly sponsored by the Energy Technology Innovation Policy research group of the Belfer Center on Science and International Affairs and the Consortium for Energy Policy Research of the Mossavar-Rahmani Center for Business and Government.

