Perceptions about a Carbon tax

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FSR 2020

We are not on track to 1.5 or 2 C

- Zero Energy Houses
- Electrify all transports
- Make all power production renewable
- (> more batteries, more transmission etc)
- Stop use of coal in Steel industry
- Cement Industry etc
- Reform fishing and agriculture
- Solve emissions related to long-distance travel

Suppose we succeed with all that

• Sing Halleluja, become vegetarian and solve climate?



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Sing Halleluja, become vegetarian and solve climate?

Price of oil and coal on world market fall and people start using fossil fuel for more <u>new</u> uses

Conclusion

We need a Price on Carbon

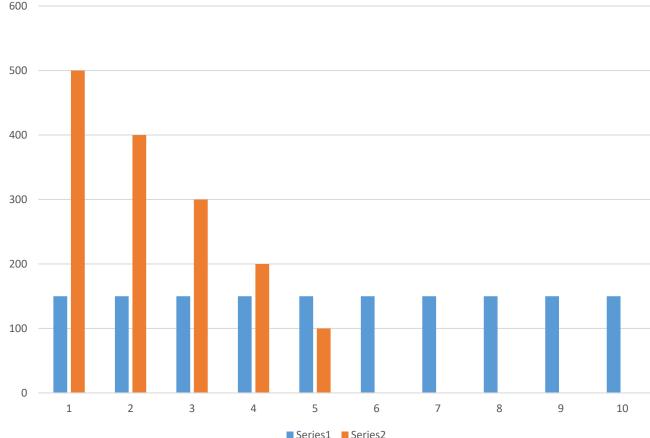


REFUNDS





Or 500€ to decile 1; 400 to decile 2; 100 to decile 5.

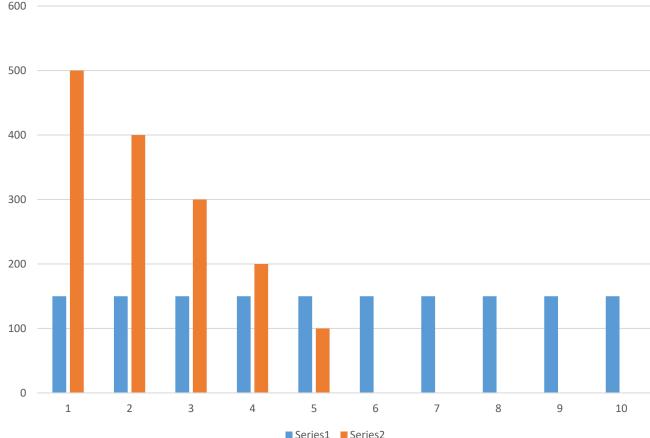


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Or Using Revenue?

Swedish equivalent of Yellow Vests

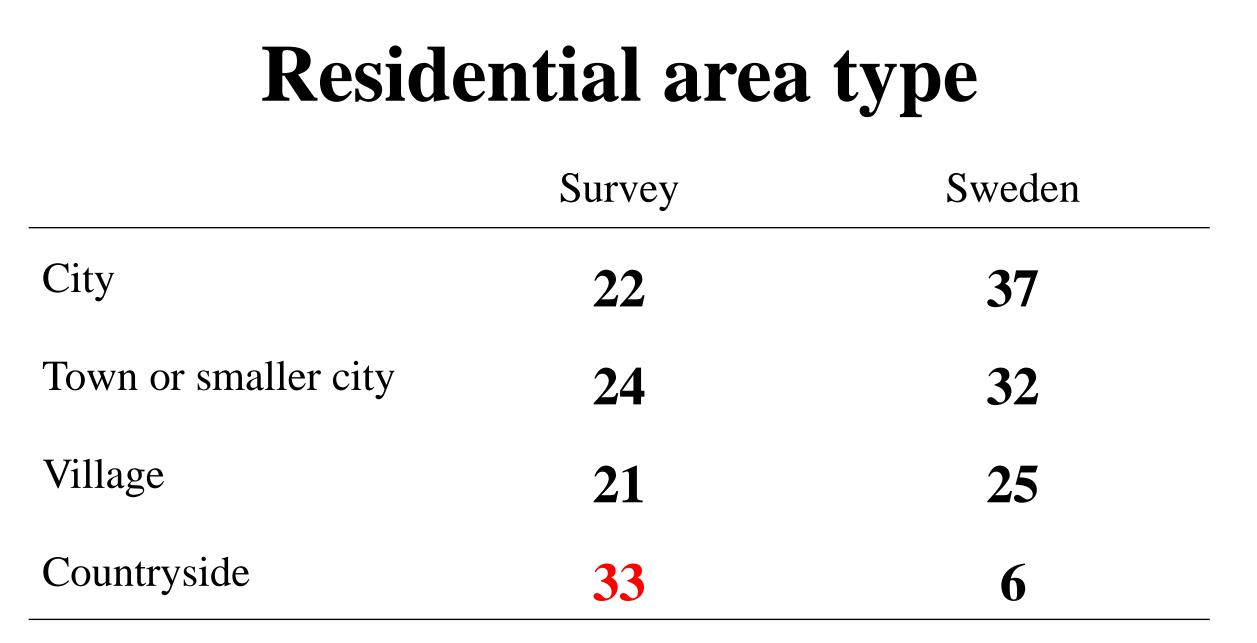


Grupp av Bensinupproret 2.0 och Föreningen Uppror

Bensinupproret 2.0

Not representative sample

- •74% Male
- •25% over 60 år
- •46% 40 59 år
- •28% är under 39



Source: Statistics Sweden.

Educational attainment

	Survey	Sweden (>16)
Compulsory schooling or lower	3	19
Upper secondary	23	42
Post-secondary < 3 years	23	14
Post-secondary > 3 years	45	21
Doctoral degree or equivalent	6	1

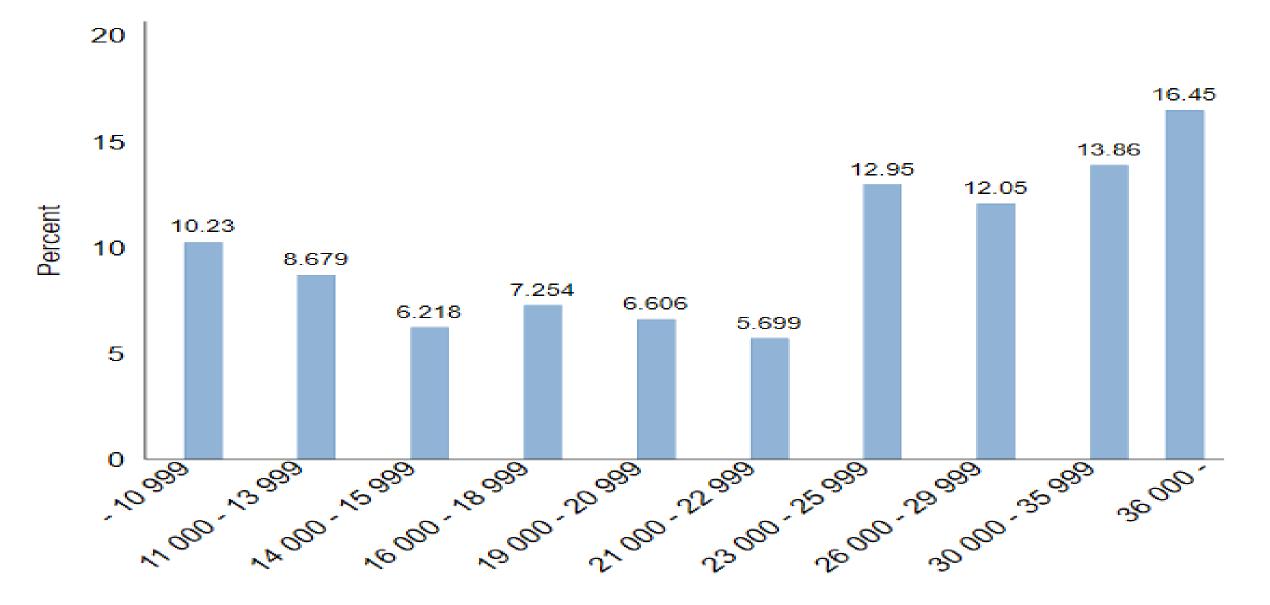
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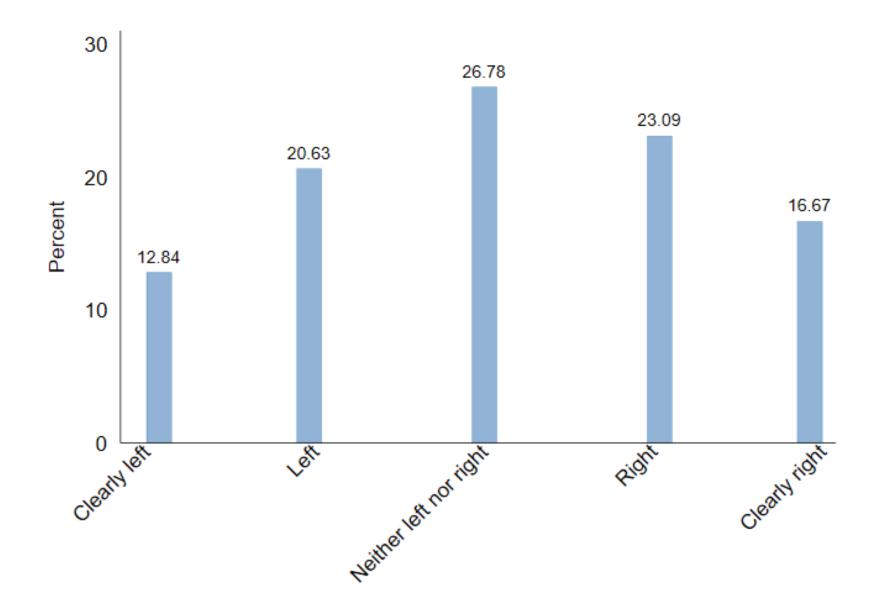
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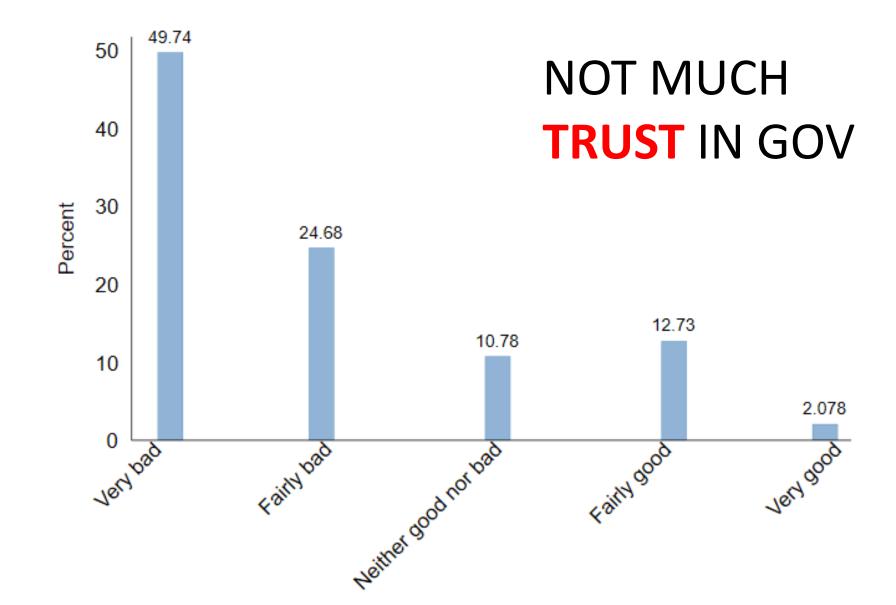
Income deciles of respondents



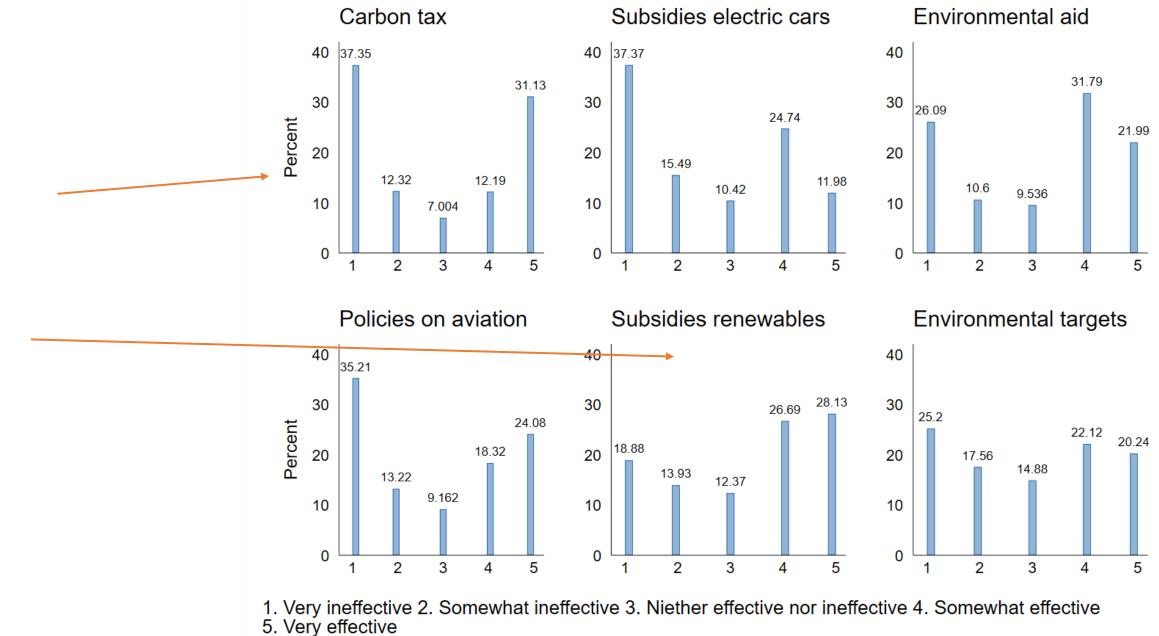
Political alignment of respondents



Opinions on current policies



How effective are: ?



Positive aspects of a carbon tax

Share of respondents

There is nothing positive about a carbon tax.	44%
It applies the polluter pay principle.	35%
It affects people's (including my) behavior.	34%
It gives incentives for research.	23%
Collects \$\$ government can use to stop climate change	13%

Negative aspects of a carbon tax

Share of respondents

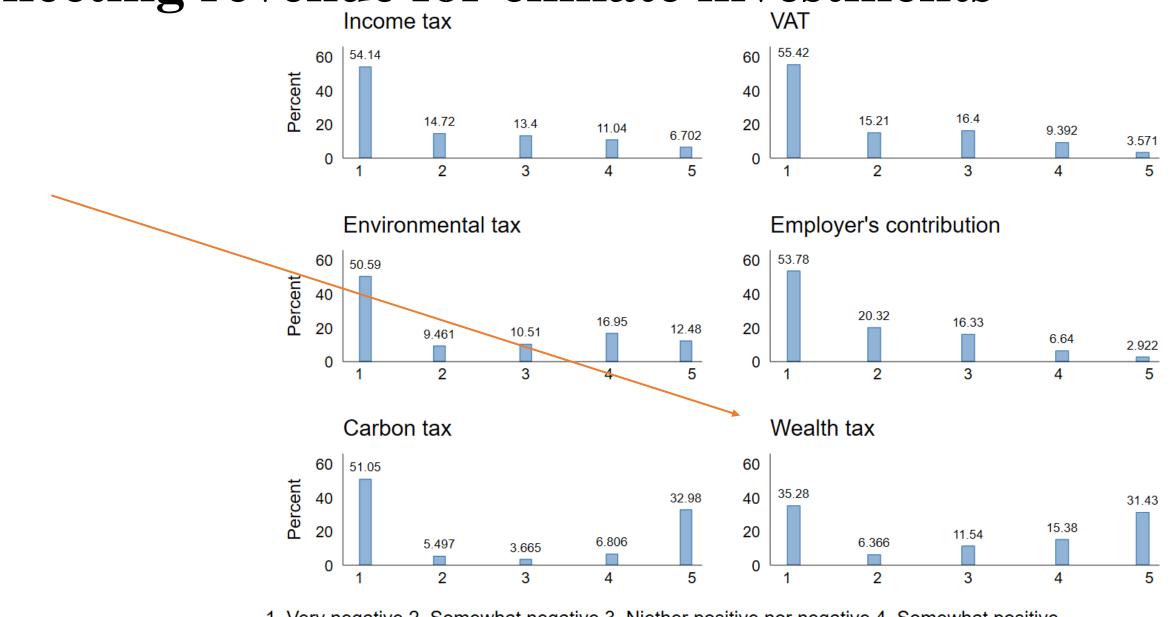
	-
Unfair because it hurts rural areas.	57%
Unfair because it hurts low income earners.	34%
Not enough effect on the climate.	31%
Hurts Swedish industry and competitiveness.	28%
It is too expensive.	16%
There is nothing negative about a carbon tax	14%
Tax money could go to corrupt purposes	10%

Note: Numbers do not add to 100% since each respondent was asked to mention up to 2 alternatives.

Fairness has many dimensions!

- Actual regressivity
- Perceived regressivity
- •Special groups (countryside)
- •Visible exceptions –ETS for heavy industry
- •Visible exceptions Air travel

Collecting revenue for climate investments



1. Very negative 2. Somewhat negative 3. Niether positive nor negative 4. Somewhat positive 5. Very positive

How use the proceeds of a carbon tax?

Clean energy, tech., infrastruct. to reduce e	51%
Health, social care and education	30%
Research on climate change	28%
Equal transfers to all citizens.	18%
Larger transfers to low income	15%
Put in government budget	10%

Note: Numbers do not add to 100% since each respondent mention several up to 2 alternatives.

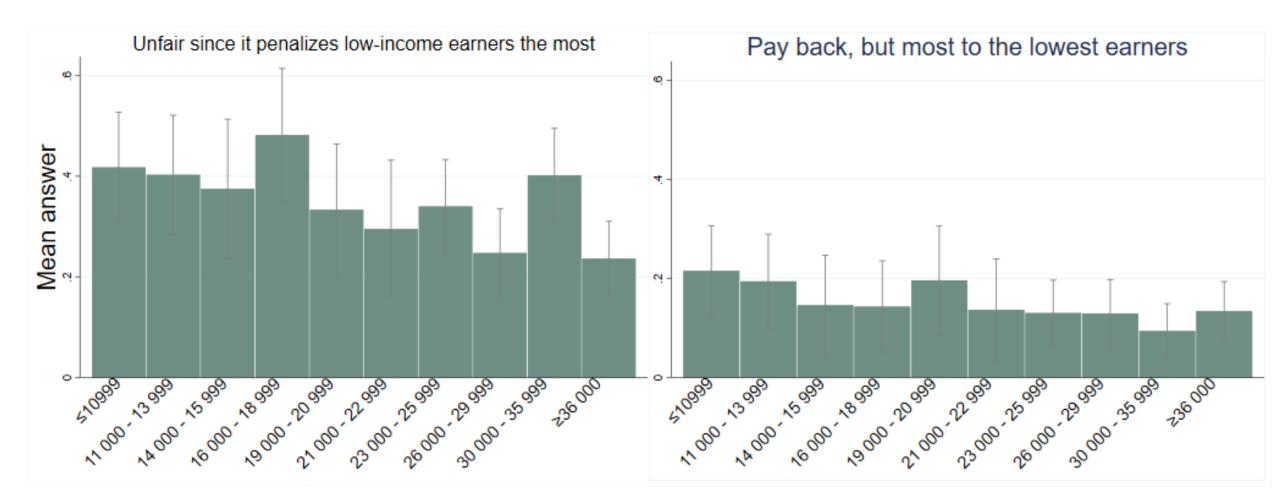
JENS Views climate and on current policy

Variable	Climate problem	Current policy
Female	+ **	+ **
Age	+	+
Education	+	-
Income	_	-
Occupation	()	()
Child in HH	+	+
Env. Org.	+ ***	_
More rural residence	_ **	_ *
Govt. trust	++ ***	++ ***
Pol. More right	***	-

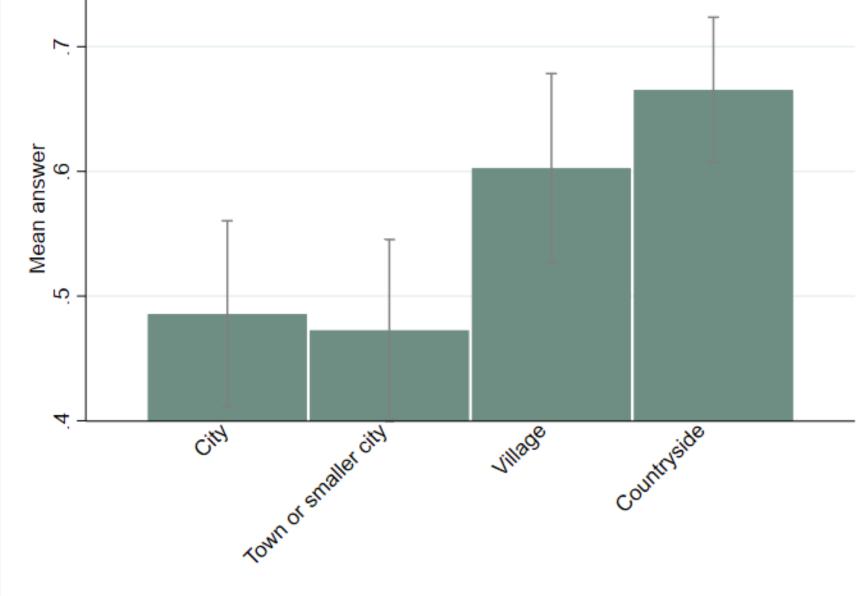
Views on carbon tax

Variable	Effectiveness	Policy rank
Female	+	+
Age	-	_
Education	+	+**
Income	-	_
Occupation	()	0
Child in household	-	+
Member of env. org.	+ ***	+***
More rural residence	-	-
Govt. trust	++ ***	++ ***
Pol. More right	***	***

Carbon tax is unfair & pay back most to lowest earners



Unfair - penalizes those living outs. cities & on countryside



Summary

- Trust very important
- Even petrol protesters want climate policy
- Carbon taxes very polarizing
- Support increases if revenues are used
- Support increases if revenues refunded
- Revenue USE better for respondents & climate