



## Analysis

## Climate policy in hard times: Are the pessimists right?



Aya Kachi\*, Thomas Bernauer, Robert Gampfer

ETH Zurich, Center for Comparative and International Studies, Haldeneggsteig 4, 8092 Zurich, Switzerland

## ARTICLE INFO

## Article history:

Received 19 May 2014

Received in revised form 27 February 2015

Accepted 10 March 2015

Available online 18 April 2015

## ABSTRACT

Conventional wisdom holds that the state of the economy has a strong impact on citizens' appetite for environmental policies, including climate policy. Assuming median voter preferences prevail, periods of economic prosperity are likely to be conducive, and economic downturns are likely to be detrimental to ambitious climate policy. Using original surveys in the United States and Germany, we engage in a critical re-assessment of this claim. The results show that, for the most part, individuals' perceptions of their own economic situations have no significant effect on their policy support. Negative perceptions of the national economic outlook reduce support for climate policy in the US, but not in Germany. However, the magnitude of this national economy effect in the US is small. On the other hand, individuals' climate risk perceptions consistently have a statistically significant and large effect across various model specifications, and interestingly, this pattern holds for the US, whose government is among the less ambitious in global climate policy, as well as Germany, which is among the frontrunners. Our study indicates that the state of the economy may not trump climate risk considerations as conventional wisdom claims.

© 2015 Published by Elsevier B.V.

## 1. Introduction

Originally coined by James Carville, the strategist of Bill Clinton's successful 1992 United States (US) presidential campaign, "It's the economy, stupid" has come to mean that economic conditions leave a strong imprint on voter preferences and political choices more generally. In line with this common belief, policy-makers and interest groups have attributed the lack of ambitious climate policies in recent years to the slow recovery of national and global economies after the recession around the year 2008–2009 (e.g. Egenhofer and Alessi, 2013; Jones and Keen 2009). *Are the climate-policy pessimists right about the negative impact of economic downturns?*

Various social polls provide macro-level overviews of this issue. At first glance, these opinion polls seem to back up the claim that economic downturns reduce citizens' appetite for environmental policies. The proportion of respondents in Gallup surveys who were concerned about global warming "a great deal" increased from 26% to 41% between 2004 and 2007, but then began to decrease from 2007, reaching 28% by 2010 (Brulle et al., 2012, p.170; Gallup Poll Social Series).<sup>1</sup> One might

thus suspect that, for example in the US, the economic downturn in 2008–2009 triggered this decreasing trend in public concern about global warming.

Some time-series data show indeed negative correlations between the perceived salience of climate and economic issues. For example, the US Gallup surveys from 1984 through 2012 ask respondents what they think "is the most important problem facing" the country. In their responses, the frequency of "unemployment" correlates negatively with that of "environment/pollution" (magnitude:  $-0.43$ )<sup>2</sup> and the correlation is statistically significant ( $p$ -value: 0.04). Likewise in Germany, the Eurobarometer survey asks "[w]hat are the two most important issues facing Germany today." The correlation between "unemployment situation" and "environment, climate and energy" is again negative and statistically significant (magnitude:  $-0.12$ ,  $p$ -value: 0.00).

Several academic studies have also addressed these questions and identified key factors shaping public opinion on climate issues in relation to the effect of economic conditions (see for example, Brulle et al., 2012; Kahn and Kotchen, 2011; Scruggs and Benegal, 2012; Krosnick and MacInnis, 2012); yet the empirical findings in the present literature are mixed at best, and their empirical design suffers from several limitations. First, a large subset of empirical analyses stays at the macro level, relating the size of economy-related concerns and that of climate-related concerns. Yet some of them make a theoretical claim about policy preferences held by individuals, potentially suffering from an ecological fallacy. Second, many of the individual-level studies claim the importance of promoting climate policy acceptance and

\* Corresponding author.

E-mail addresses: [aya.kachi@ir.gess.ethz.ch](mailto:aya.kachi@ir.gess.ethz.ch) (A. Kachi), [thbe0520@ethz.ch](mailto:thbe0520@ethz.ch) (T. Bernauer), [gampfer@ir.gess.ethz.ch](mailto:gampfer@ir.gess.ethz.ch) (R. Gampfer).

<sup>1</sup> Gallup is a worldwide public opinion poll company. The exact survey wording in the cited Gallup Poll Social Series on environment is as follows. "I'm going to read you a list of environmental problems. As I read each one, please tell me if you personally worry about this problem a great deal, a fair amount, only a little, or not at all. First, how much do you personally worry about global warming?" Information available at <http://www.gallup.com/poll/168236/americans-show-low-levels-concern-global-warming.aspx> (Last accessed on January 4, 2015.)

<sup>2</sup> Pearson's correlation coefficient.

implementation; yet they investigate issue salience and climate-risk perceptions—thereby, conflating potential antecedents of policy support with policy support itself. Drawing on the literature on policy preferences, we argue that the perception of climate risks should rather be an important predictor of policy support. Another issue is the common use of unemployment rate as a proxy for economic conditions. While absolute indicators such as official unemployment rate and gross domestic product (GDP) capture a certain aspect of a country's (or a region's) economic conditions, we should not automatically equate these indicators with citizens' individual views on the economy.

To address these issues, we draw on data from our original surveys conducted in the US and Germany, and reexamine the effect of perceived economic conditions on individuals' climate-policy preferences. We select these two countries based on their contrasting status concerning climate politics – the US, whose government is among the less ambitious in global climate policy, and Germany, which is among the frontrunners (Weidner and Mez, 2008). Using the survey data, we evaluate the extent to which citizens' support for climate policies depends on their perceptions of the economic outlook at their household as well as national levels. In so doing, we also compare the effect of economic conditions with that of another likely determinant, climate risk perceptions. We find that, for the most part, individuals' perceptions of their *own* economic situations have no significant effect on their policy support in either country. Negative perceptions of the *national* economic outlook reduce support for climate policy in the US, but not in Germany. On the other hand, individuals' climate risk perceptions have a statistically significant and large effect across various model specifications, and interestingly, this pattern holds for the US and Germany.

The following section further elaborates upon the limitations of the present literature and outlines our theoretical arguments. There after we lay out our survey design and method for creating key variables via factor analysis. We then analyze the relationship among economic conditions, climate risk perceptions and policy support using ordinary least square (OLS) and logistic regressions. Before concluding, we present the results from two sets of robustness tests: one using an alternative (absolute) measure of economic conditions, and the other relying on an experimental approach to examine the causal effect of economic conditions. We conclude the paper by summarizing our findings concerning whether and to what extent economic conditions affect individual climate policy preferences, compared to another likely determinant, climate risk perceptions.

## 2. Effects of Economic Conditions and Risk Perceptions on Policy Support

To investigate the widespread belief that climate policies could not earn citizens' approval during economic downturns, several academic studies have addressed related questions. Brulle et al. (2012) show that aggregated “public-mood” for climate concern in the US significantly depends on structural economic factors measured by unemployment rate and gross domestic product (GDP). Kahn and Kotchen (2011) find that increasing unemployment rates in US states “reduce the number of Google searches for global warming” (p. 263) within the states and “increase the number of Google searches for unemployment” (p. 263). Based on another policy-preference measure at the individual level, they also find that the US citizens from states with lower unemployment rates are more likely to find global warming a serious problem and they are more willing to accept climate policies. Scruggs and Benegal (2012) address similar questions in both the US and European contexts, and conclude that individuals in both regions are less likely to consider climate change a risk when economic conditions are worse. However, others have produced conflicting empirical results. Notably, using data from a nationally representative survey for the US, Krosnick and McInnis (2012) report that people in states with

struggling economies did not exhibit a larger decline in support for climate policy.

These studies provide a good starting point; however we identify four limitations in their arguments and design that prevent us from drawing a firmer conclusion. The remainder of the section details the four issues and argues why a new set of empirical analyses is necessary.

### 2.1. Level of Analysis – citizens

First, the ecological inference problem arises in macro-level empirical studies when they are motivated by theoretical arguments on changes in individuals' policy salience and preferences. For example, Kahn and Kotchen (2011) analyze the number of Google searches for global warming and unemployment as evidence for the effect of business cycles on the public's climate concern. The potential inferential problem is not that macro-level data are used, but that the discussion is tied back to the dynamic of citizens' or households' climate risk perceptions. This trend can be observed also in other studies such as Del Río and Labandeira (2009) and Pew Research Center (2009).

Consistent with the initial motivation of these studies, we also investigate the claim that economic downturns might influence individuals' policy appetite. In order to overcome potential ecological fallacy; i.e. in order to investigate whether those individuals greatly concerned about the economy are the ones who are less concerned about climate, it is necessary to design an empirical analysis where *both* the economic-condition and policy-preference variables are measured at the individual level.

### 2.2. Explaining Policy Support, Rather than Salience and Concerns

Another limitation of the literature is the common conflation of policy preference and issue salience. The majority of existing public-opinion surveys on climate issues—including the Gallup polls, the PEW surveys, and Eurobarometer<sup>3</sup>—focus primarily on issue *salience* and climate *risk perceptions* (*concerns*). For instance, some of the most typical survey items ask respondents whether they think the effects of global warming have already begun to happen, what they think are the most important issues facing their countries (with climate change being one of the possible responses), and to what extent respondents worry about global warming. Not surprisingly, empirical studies that use these data focus on explaining the public's sentiment, belief, risk perceptions and awareness regarding climate change (e.g., Scruggs and Benegal, 2012; Leiserowitz, 2005).

However, in line with the broader public opinion literature, we argue that it is the public's *policy preferences*, rather than *policy salience* or *awareness* that drives policy adoption and government's responsiveness (see, for example, Page and Shapiro, 1983; Stimson et al., 1995). The reason is, as Druckman (2013) states succinctly, elected officials “would not pass laws that are not supported by their constituents – and on what consumers in the marketplace are willing to accept” (p. 617).

The conceptual difference between *preference* and *salience* is important. Individuals can be highly aware of potential damages caused by global warming; yet they can still make conscious decisions not to support a new climate policy initiative, due to, for instance, economic difficulties facing their households. Studies in public opinion have demonstrated this distinction empirically. Lax and Phillips (2009) show that the level of policy salience is a mere amplifier of the effect of policy preferences on policy adoption in the context of US domestic policy-making. Similarly, other studies find that environmental attitudes, rather than mere awareness or knowledge on the issue, help explain variation in environmental behavior (e.g. Kollmuss and Agyeman, 2002).

Therefore, it is necessary to measure individuals' policy preference as a primary outcome variable, in order to investigate the relationship between economic conditions and the policy inertia. Following the

<sup>3</sup> We refer to Eurobarometer ver.77.3, May 2012, ZA No. 5612 (European Commission, 2012).

Download English Version:

<https://daneshyari.com/en/article/5049338>

Download Persian Version:

<https://daneshyari.com/article/5049338>

[Daneshyari.com](https://daneshyari.com)