

Factsheet – how do we change behaviour and how do we pay for it?

To decarbonise the economy, we need to change the way we live our lives and our daily habits.

These changes will need to be initiated by individuals, businesses and government, both in Jersey and around the world.

Some things are within our government's control and other things will require international agreement and action.

In certain situations, it may not be appropriate for government to intervene at all and it will be up to our own individual choices.

In most cases it will be a mixture of all three drivers. For instance, what we eat and consume might largely be down to our own individual choice, but there is a lot which governments can do to encourage, support, or incentivise different choices.

Ladder of intervention

There are different ways to bring about changes in behaviour, with increasing levels of intervention. The above figure illustrates the different levels of intervention.



Potential examples of the different levels of intervention that could be used to decarbonise the economy:

- **Eliminate choice:** ban new registrations of petrol and diesel cars
- **Restrict choice:** building by-laws to include stringent energy efficiency standards or a set percentage of renewable energy generation
- **Guide choice through disincentives:** increase fuel duty on diesel and petrol
- **Guide choice through incentives:** subsidise public transport, discounted parking for electric cars, grants for e-bikes
- **Guiding choice through changing the default:** default is carbon offset purchase with air tickets rather than optional extra
- **Enable choice:** provide more bike racks, a more frequent bus services, more cycle paths
- **Providing information:** airmiles listed on all foods
- **Do nothing or simply monitor the current situation**

The top of the ladder is generally more effective at changing people's behaviour. The trade-off is typically on public acceptability (how willing are people to have the government tell them what to do) and on unintended consequences (by banning something will someone end up getting a raw deal because they can't afford the alternative?).

Appropriate level of government intervention

Policy levers such as legislation or regulations limit people's choice – they are required to behave in a certain way by the law. Such measures, when developed and in place require minimal ongoing investment by the government. Ongoing costs are only those associated with ensuring compliance with the rules.

We need to think about which level is appropriate for each situation. For example, would it be appropriate for government to ban new petrol and diesel car registrations? If not, how could we get people to stop using petrol and diesel vehicles?

For other issues we may feel differently about what role the government should play in changing behaviour. For example is it appropriate for government to restrict how much everyone can travel by air?

Economic levers

Providing incentives or 'carrots' to encourage positive environmental behaviour are often more popular to the public than disincentives or 'sticks'. For example, providing subsidised bus travel might be more popular than increasing fuel duty. However, such initiatives are costly, and the money will have to be found to fund

them. This could be done by increasing overall tax rates or diverting funds from other areas of government investment.

Alternatively, disincentives or 'sticks' could be imposed on the high carbon activities which we hope to discourage as a way of raising money for the positive initiatives. For example, fuel duty on petrol and diesel. Consideration must be given to how such measures may impact on the different sectors of the community unfairly. For example fuel duty increases may disproportionately impact on the poor who can't afford to buy a new car and who often have older, less efficient cars.

The 'polluter pays' principle is an example of guiding choice through disincentives. It is a commonly accepted principle across the UK and other jurisdictions and underpins most of the regulation of pollution affecting land, water and air. Those who produce pollution should pay to prevent the damage to the environment. In this case greenhouse gas emissions are the pollutant and if individuals or businesses have to pay more for activities that generate them not only will this discourage those activities but generate a source of income to invest in environmentally friendly behaviours.

Income generated from environmental charges and taxes can either go into the general government pot to pay for initiatives across the government or can be earmarked only for general environmental initiatives or only for decarbonisation projects.

Climate emergency fund

Reaching carbon neutrality will be costly and the quicker we want to become carbon neutral the more it is likely to cost.

The Climate Emergency Fund was established in the Government Plan 2020-2023. It was established with an initial sum of £5 million to kick start the accelerated decarbonisation plan. It can receive any further income from charges agreed upon in the Government Plan. Currently, it is receiving income from an increase in fuel duty.

The original amount is not enough to fund a journey to carbon neutrality. It will need to be supplemented by further income from other environmental taxes. Expenditure from the Climate Emergency Fund is agreed in the [Government Plan](#).

Just transition

Achieving carbon neutrality will mean investment by current generations in the interests of future generations.

The carbon neutral strategy states that climate policies must not worsen inequality overall.

This is a careful balance. We need to consider whether any policy disproportionately effects lower-income groups and that policy levers do not allow the wealthy to continue their polluting behaviours just because they can afford it.

Read more about how we can change behaviour:

What is the polluter pays principle? Grantham Research Institute on Climate Change and the Environment

<https://www.lse.ac.uk/granthaminstitute/explainers/what-is-the-polluter-pays-principle/>

Little Book of Green Nudges, Behavioural Insights Team

<https://www.bi.team/publications/the-little-book-of-green-nudges/>