

CO2 tax? Not in my backyard

With the international commitments to cut CO2 emissions by 50-70% by 2030 and 100% by 2050-2070, the search for cost-efficient tools is continuously ongoing. In theory, CO2 taxes are one of the most efficient and simple tools. However, despite its excellent economic properties, CO2 taxes are not always preferred by the public and can have social inequality impacts. Another issue is that other CO2 reduction interventions, such as increased renewable energy like wind power, can substitute the CO2 tax. Nevertheless, wind power is also controversial, and the local acceptance of new, mainly onshore, wind power projects can be very low. In this paper, we test how these two issues are related. Using data from a national survey with 2,386 respondents, we test how the wind power landscape (number of turbines) where people live relates to the acceptance of CO2 consumer taxes. Accounting for the many findings of decreasing acceptance of wind turbines with age, we also test if wind turbine landscape and CO2 consumer tax relations are conditional on age. The average results show no relations. However, conditional on age, older respondents who can see many turbines from the residence are more positive towards consumer CO2 taxes than respondents who see fewer turbines. In contrast, more turbines in the viewshed are negatively related to the acceptance of consumer CO2 taxes among the younger respondents. First of all, our results illustrate the dynamic properties of support for CO2 taxes. Secondly, our results also denote the complexity of substitution between acceptance of CO2 consumer taxes and wind power development across generations.

By: Prof. Dr. Uğur Soytaş

Head of Climate Economics & Risk Management Section
Division of Sustainability, Society, and Economics
Department of Technology, Management, and Economics
Technical University of Denmark