



# Working with human nature: Compelling communication messages from behavioural economics

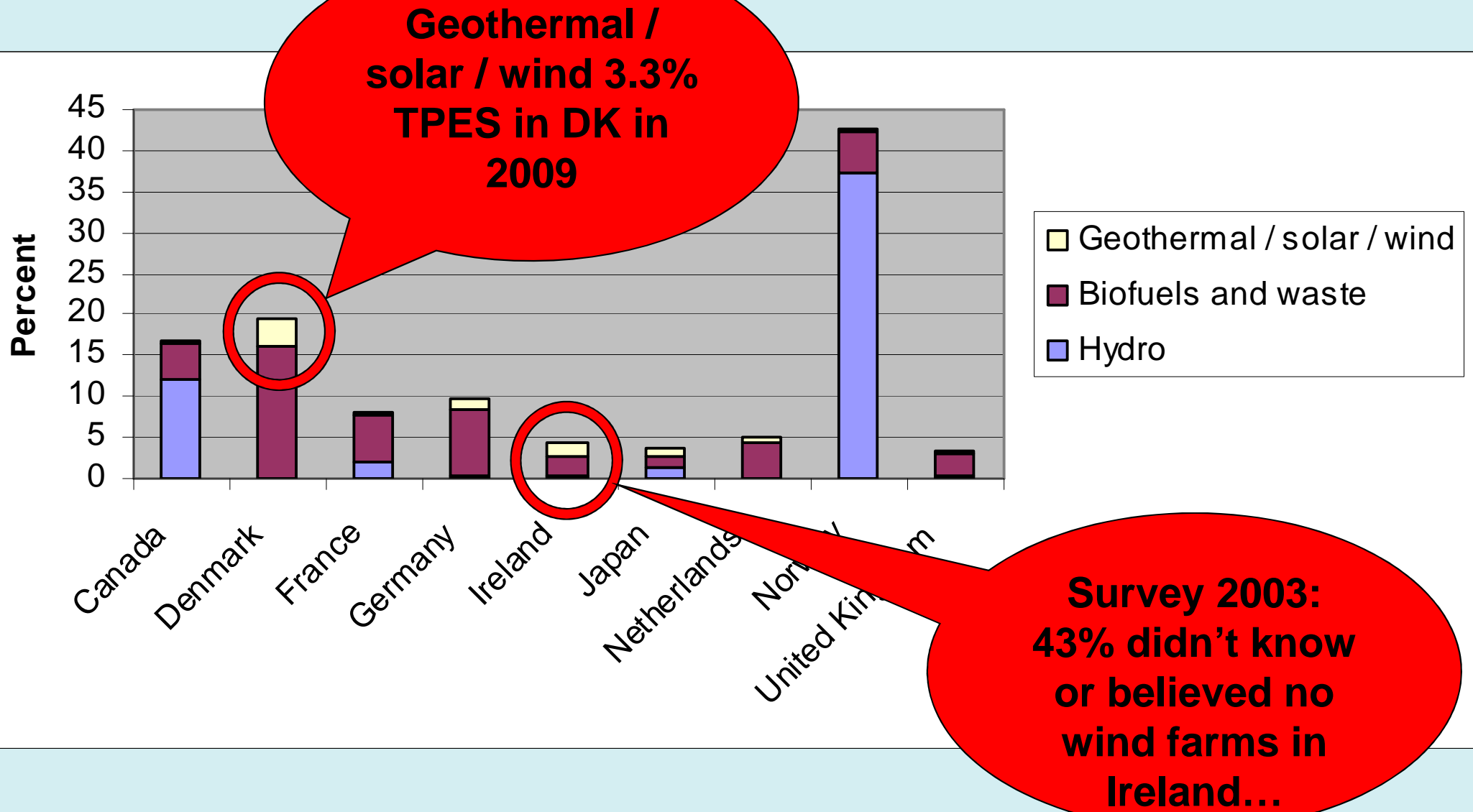
*RE-COMMUNICATE workshop, IEA-RETD  
12 February, Brussels*

**Jacqueline Cottrell**

**Green Budget Europe (a project of FÖS / Green Budget Germany)**

Green Budget Europe

# RE as a proportion of total primary energy supply in RETD countries in 2009

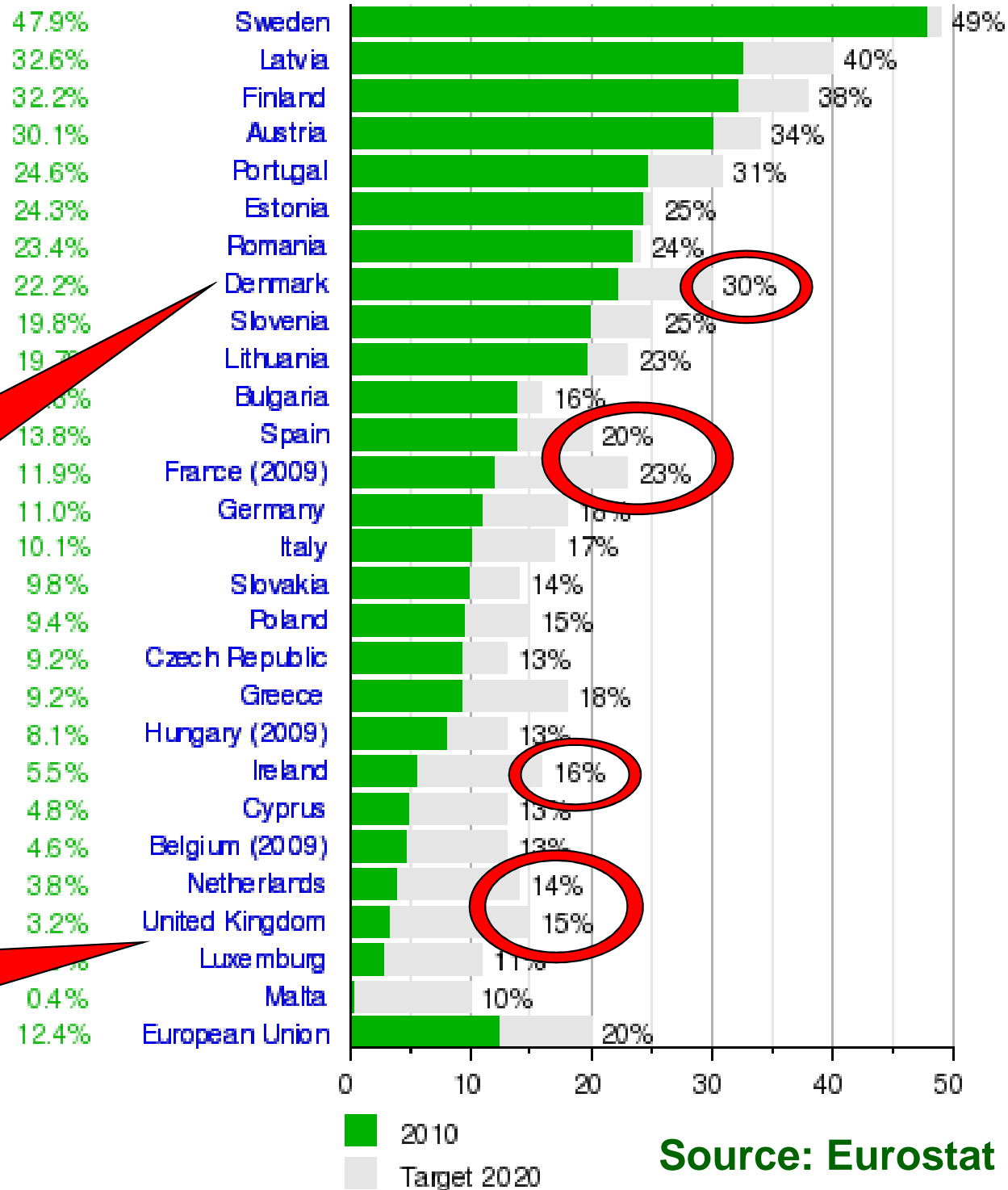


# EU has ambitious targets for share of RE in 2020

Very different levels of RE deployment

Denmark: Share of RE in gross final energy consumption was 22% in 2010

UK share only 3.2% In 2010



Source: Eurostat

# Trends in communications and BE

Basic premise of many communications campaigns:

***“if people know more, then they  
will see RE in a more positive light”***

But is this true?

How these facts are framed and presented is more important  
than the facts themselves

Communications messages must relate to the way individuals  
think and make decisions to maximise impact

# The omission bias

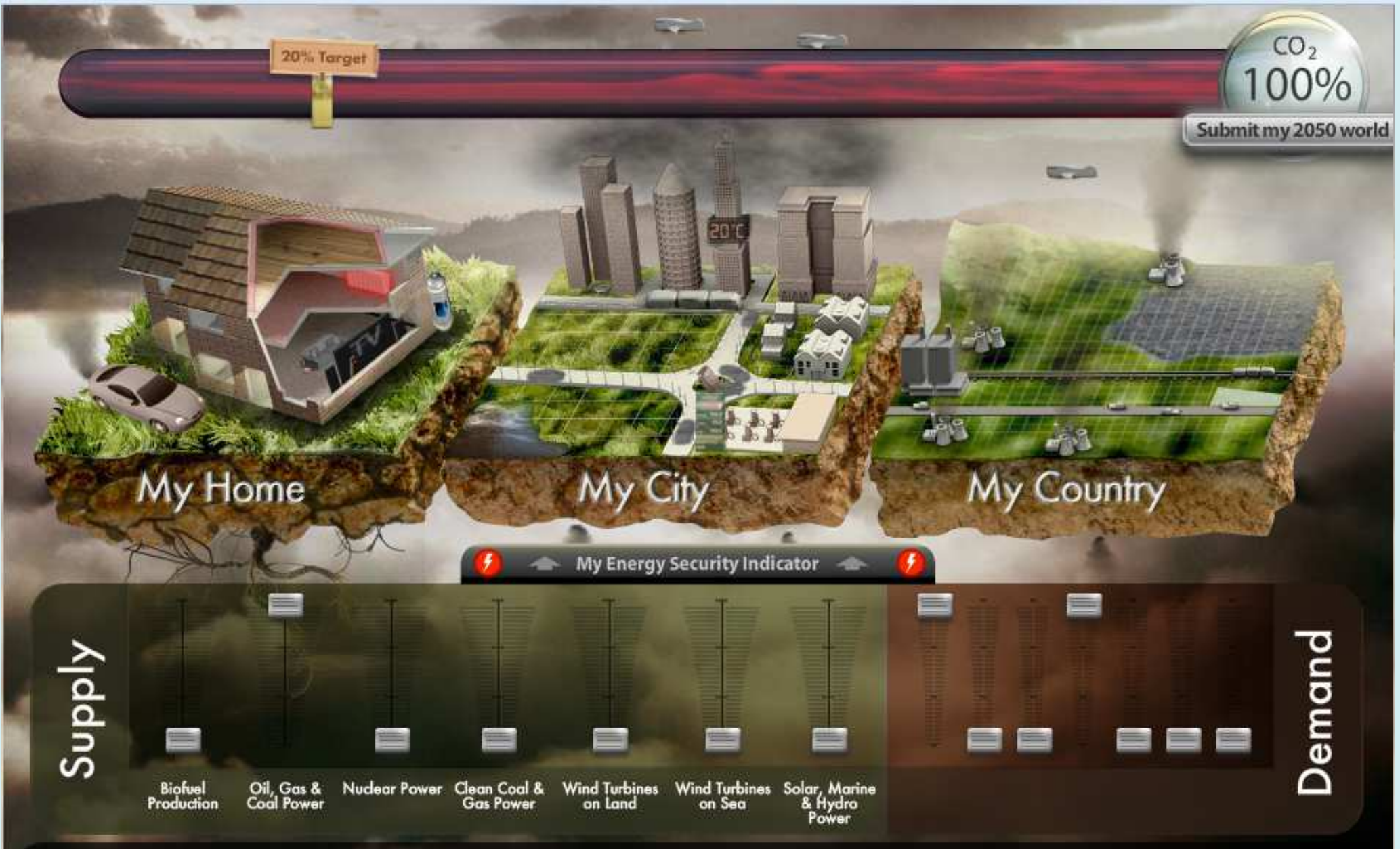
- *We prefer harmful inaction over harmful action*



Referees call far fewer fouls in the final moments of a game



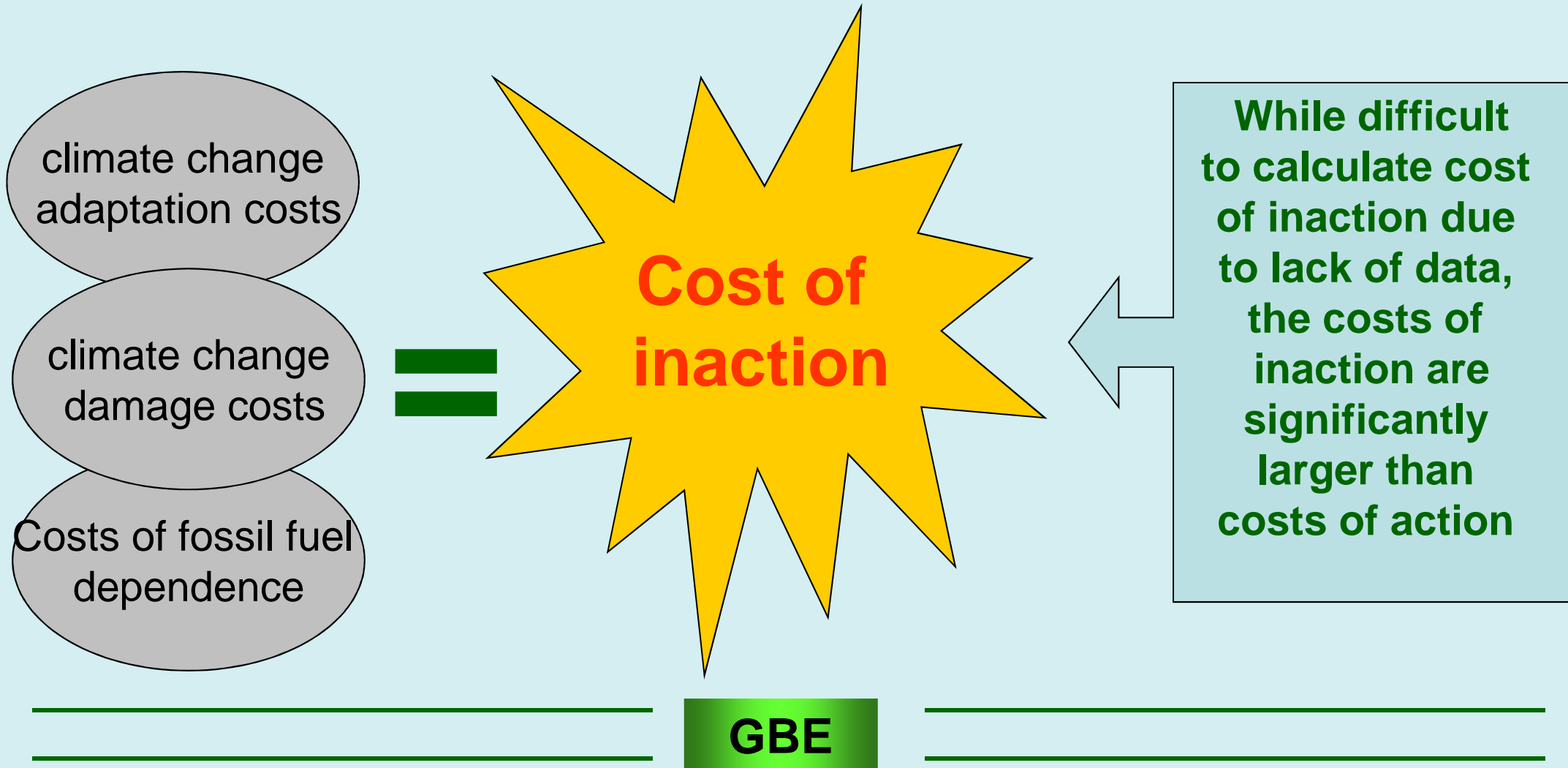
# Interactive energy calculator in the UK



**GBE**

# The cost of inaction – addressing the omission bias

- ***The Costs of Inaction*** (RETD 2011)
- What will retaining traditional fossil-fuel based energy system cost?



# The “endowment effect”

- *Individuals perceive the value of an object higher if they possess an object than if they do not*
- An individual’s willingness to accept a price for selling an object is larger than someone’s willingness to pay for it

Respondents value a ticket with a 50% chance of winning \$20

- Willing to pay to acquire: \$ 5.60
- Compensation to give up: \$11.02

(Source: *Kachelmeier / Shehata, 1992*)





# “My wind turbine and me” (France)



GBE

# The endowment effect in Denmark

- Danish government are 'beyond' general RE communications campaigns
- Policy instruments in place instead to:
  - 1) create a sense of economic ownership – citizens have the right to purchase a stake in local wind turbines
  - 2) compensate for loss of property values (loss aversion)
- “Knowledge about Wind” – corporate project to inform local politicians and the general public about RE in areas where wind farms have been proposed

*....is the government's strategy effective?*

# Loss aversion

- *Individuals are more strongly motivated by avoiding a loss than acquiring a similar gain*
- “Renewable Energy Value Creation Calculator” in Germany – looks at value created by RE projects
- A question of FRAMING: it **could also** generate a value which shows what a community will **LOSE** by *not* investing in RE



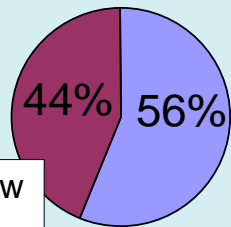
# Hyperbolic discounting

- *People will be far-sighted when planning if both costs and benefits occur in the future*
- *They will make short-sighted decisions if costs OR benefits are immediate*

Individuals asked to choose high-brow (e.g. art house) or low-brow (e.g. a romantic comedy) movies for:

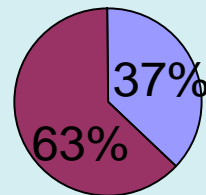
1. Tonight
2. This Thursday
3. Next Thursday

**Tonight**

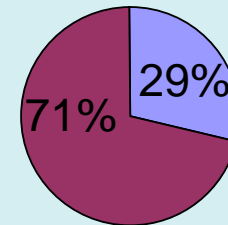


■ low brow  
■ high brow

**This Thursday**



**Next Thursday**



---

---

**GBE**

---

---



# How can RE communications emphasise the immediacy of benefits?



It's high time for a change!

## A 33-UNIT FARM OF 3.0 MW TURBINES CAN...

...offset GHG from its creation and operation in as little as



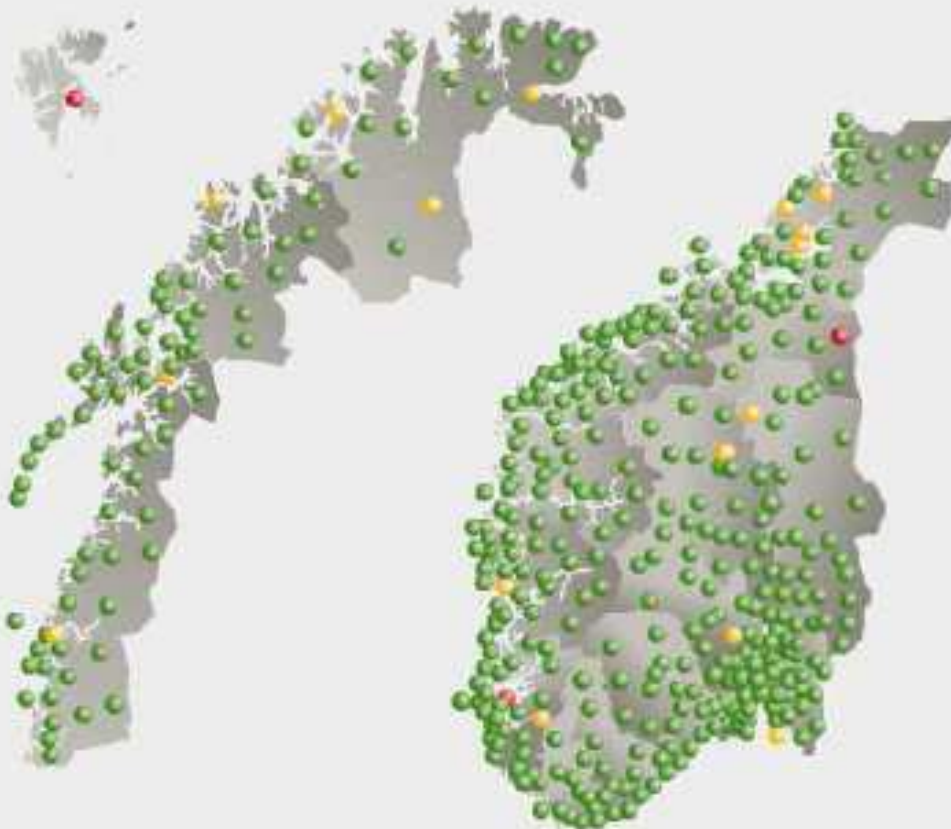
# Pro-social behaviour and fairness



- *individuals tend to value fairness and act pro-socially, particularly if free-riding can be minimised*

## KLIMAKOMMUNER

Om Enova

Enova Næring > Forside klimakommuner >



Kommunalratgeber	Kommunale Wertschöpfung	Energie-Kommunen	Technologien							
		2013 2012 2011 2010 2009								
Januar	Februar	März	April	Mai	Juni	Juli	August	September	Oktober	November

**2012**

**Hattersheim (Januar)**  
„Die finanzielle Ausstattung der Stadt setzt unserem Handlungsspielraum enge Grenzen. Daher mussten wir andere Wege finden, um die Energiewende vor Ort zu schaffen.“ Karin Schnick, Erste Stadträtin und Umweltdezernentin der südhessischen Stadt Hattersheim, steckte beim Thema Ausbau der Erneuerbaren Energien nicht den Kopf in den Sand... [mehr](#)

**Hohenlohe-Odenwald-Tauber (Februar)**  
Drei Landkreise mit etwa 400.000 Einwohnern, parteiübergreifende Arbeit mit 61 Bürgermeisterinnen und Bürgermeistern, Vorgaben und Absprachen mit Forstwirten und Ortsvorstehern - die Auflistung der beteiligten kommunalen Entscheider der Bioenergie-Region Hohenlohe-Odenwald-Tauber macht deutlich, dass eine interkommunale Zusammenarbeit beim Ausbau der Erneuerbaren Energien einer logistischen Meisterleistung gleichkommt... [mehr](#)

**Schipkau (März)**  
Das brandenburgische Schipkau hat die Zeichen des Wandels im Lausitzer Braunkohlerevier nicht nur erkannt, sondern setzt sie auch in Klimaschutzprojekte um... [mehr](#)

**GBE**

# Conclusions

- Some communications strategies do take BE into account
- In most cases, this is inadvertent
- As many findings from BE are ‘counterintuitive’ – they reveal that individuals do not make purely ‘rational’ decisions – we must consider them explicitly if we wish to ensure that they will be included in communications strategies
- More research is needed to reveal the extent to which inclusion of BE in communications and policy can improve uptake



**Email: [Jacqueline.Cottrell@green-budget.eu](mailto:Jacqueline.Cottrell@green-budget.eu)**

**Home office, Scotland: +44 1383 41 63 81**

**Mobile: +44 789 43 42 504**

**Skype: Jacqueline\_Cottrell (Inverkeithing)**

**[www.green-budget.eu](http://www.green-budget.eu)**

*Green Budget Europe*