Green by design

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Green nudges

...influencing choices to achieve pro-environmental behavior without forbidding any options or significantly changing the economic incentives
Five examples of nudges

- Social norms/social proof
- Defaults
- Disclosure
- Simplification
- Reminders (saliency)
Do we need new tools?

The goal is to cut GHG emissions by 405 from 1990 to 2030.

The national budget says +1%.

EFTA: Norway breaches EEA air quality regulations.
Why do we not succeed?

We know what it takes…

…but it is politically costly

…and government cannot directly influence all decisions
The role of nudges

Increase effectiveness of other tools
Increase support for policy
Change behaviours other tools are unable to influence
Increasing the effectiveness of other tools
Strømkostnad i løpet av produktets levetid er anslått til:

2893 kr*

*Basert på:
- Tørketromler byttes i gjennomsnitt ut etter 12 år (kilde: GfK Norge) og benyttes 3 ganger i uken
- Strømpris på 95 øre per kWh (gjennomsnitt for 2010 inkludert variabel del av nettleie og avgifter)
- EU's retningslinjer for beregning av strømforbruk
Change behaviours other tools are unable to influence
What have we learned?

Nudges work well

- When financial incentives pull in the same direction
- When the behavioural change is not too (cognitively) demanding
What have we learned? (part 2)

Nudges work well in some sectors
  - food and waste?
Not so well in other sectors
  - transport?
Can nudges make a difference?

Rough estimate - 5% reduction in emissions

Isn’t that really small?

If you can ensure

- 50% more frequent public transport
- Cut local regional pt rates in half
- Cut travel time by train by 10%
- Cut train ticket prices in half
- Increase airline ticket prices by 25%
- Increase all road tolls by 50%

...then you will cut emissions by 5%
A role for nudges in policy

Incentives and regulation will have to do the heavy lifting

…but nudges are more cost effective than most policy tools

…they can improve public support

…and they can increase the effectiveness of other tools
Thank you for your attention!

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