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Big government, big trouble? The role of government size in climate policy support

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Key messages

- Size of government is studied as a new country-level contextual factor determining citizen support for climate policy
- Larger size-of-government is associated with lower climate policy support
- GDP-per-capita and emissions are positively associated with policy support
- High-tax countries have an aversion to environmental tax increases

Importance: Citizen support as a precursor of climate policy

Citizen support is an important precursor to climate change mitigation polices. Existing research suggests citizens tend to oppose salient policies such as carbon taxes. Countries where taxes are already high may have citizens who are opposed to new climate policies that will increase taxes even further. On the other hand, countries with large welfare states may have more advanced social safety nets that mitigate citizens' distributional concerns. To date, no research has explored size-of-government, measured through government revenues as a share of gross domestic product (GDP), as a country-level contextual factor associated with citizen support for climate policy. In a recent study co-authored by Kevin Andrew, Ekaterina Rhodes, and Manuel Ebner and published in Journal of Environmental Management, we use the 2010 International Social Survey Programme (ISSP) Environment Module (n=31,511) to assess cross-national differences in support for climate policy in 33 countries, focusing on size-of-government as a contextual factor. Investigating the relationship between size-of-government and support for climate policy support can help uncover the determinants of long-term policy implementation while minimizing costs of climate change mitigation via coordinated cross-country efforts.

Opportunities and barriers: Improving climate policy support

Using ex-post multilevel statistical models, we estimate the relationship between size-of-government and climate policy sup-port, conditional on a series of individual factors. First, we confirm that citizen support for environmental taxes is low at an average score of 2.6 on a scale of 1-5 (or 52%) in our 33 country sample, with Switzerland showing the highest support at 3.3 (66%) and Latvia the lowest at 1.9 (38%). Next, we find that a substantial majority of the variation in policy support can be ex-plained at the individual level, with post-materialist values (i.e., need for political freedom, self-actualization, creativity), left-wing orientation, and post-secondary education predicting higher climate policy support. We also find that government size, GDP per capita, and environmental degradation significantly contribute to policy support. Specifically, increasing the size of government by one standard deviation reduces support for environmental policy by 0.13 points on a 5-point scale. For comparison, a one standard deviation increase in GDP per capita leads to a 0.24 increase in support and a one standard deviation increase in environmental degradation leads to a 0.13 point increase.

	Policy support (β)
Female (ref: male)	0.008
Log age	0.022
Mixed (ref: materialist)	0.166***
Post-materialist (ref: materialist)	0.378***
Log household income	0.050***
Left-wing (ref: centre)	0.200***
Right-wing (ref: centre)	-0.045***
Some post-secondary (ref: minimum)	0.176***
University (ref: minimum)	0.440***
Aggregate log GDP per capita	0.249***
Aggregate post-materialism	0.271
Log pollution	0.282**
Size of government	-0.013***
Constant	-1.440*

Statistical significance at the 10% (*), 5% (**), and 1% (***) level is denoted

Next steps: Climate policy implications and future research

Our study has direct implications for climate policy. We observe that high tax countries are more likely to have an aversion to tax increases aimed at mitigating climate change. This is because taxes are more salient in countries with larger government intervention in the economy. Using carbon taxes and other environmental pricing policies in high tax countries must therefore include clear expectations for how revenues will be recycled or how other taxes will be lowered if they are to gain widespread support. Future research can use the new iteration of the ISSP Environment Module and the Word Values Survey to confirm our

study results. Qualitative interviews with citizens and key stakeholders as well as media analysis could uncover additional nuances. Further, it is important to include the role of government size in studying support for climate regulations that can achieve equivalent emissions reduction outcomes at lower political costs.

References

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