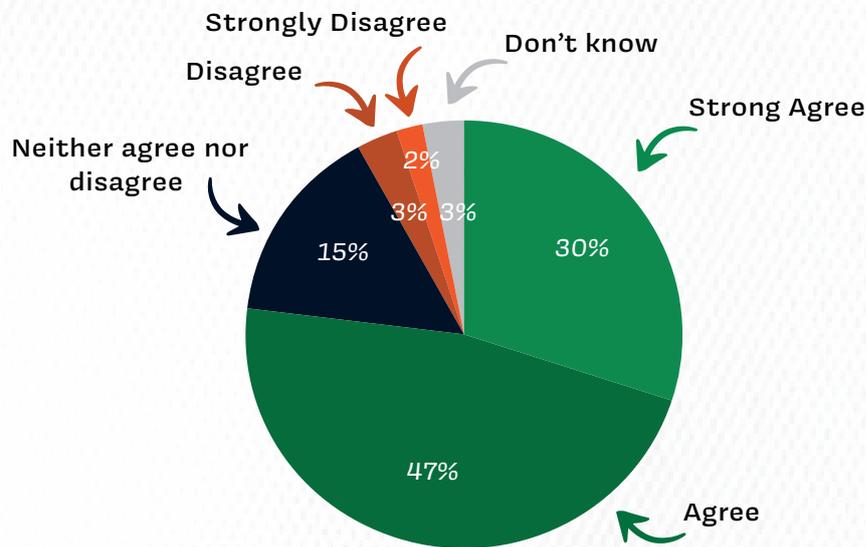


PUBLIC INSIGHTS BRIEFING: GREEN RECOVERY.

Overview

The public are extremely concerned about the economy, but do not prioritise economic growth at the expense of the environment. There is an appetite to use Covid-19 as a springboard for social change.

The Coronavirus situation provides a good opportunity to change the way our society works: Do you agree or disagree?



1. A green recovery can gain popular support, as long as it addresses concerns about unemployment

Our research revealed a massive surge in concern for the economy (67% of respondents said that 'getting business back on track' should be the Government's top priority coming out of Covid-19) and exposed the depth of the unemployment crisis that Covid-19 has sparked (only 33% of respondents were in full time employment, and 41% were not in work at all,¹ whilst multiple focus group participants cited incidences of job loss amongst people they knew).

In spite of this, there was still support for a 'green' recovery - **49% agreed that investing in an environmentally friendly economy is the best way to help the economy recover**



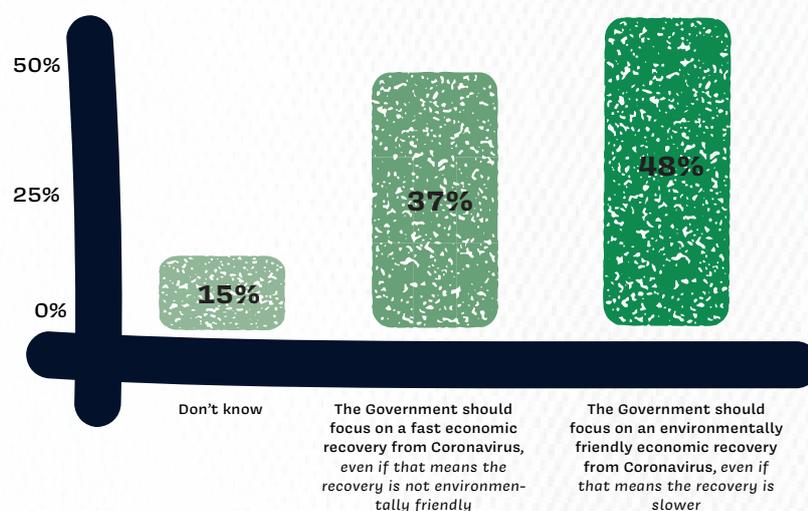
(only 13% disagreed), and 48% supported an environmentally friendly economic response, even if that means economic recovery is slower (vs 37% prioritising a fast economic recovery over the environment).

However, there were stark political divides here - with Labour and Liberal Democrat voters significantly more likely to agree than Conservative voters (60% and 54% vs 37%) and the preference reversed among Leave voters.

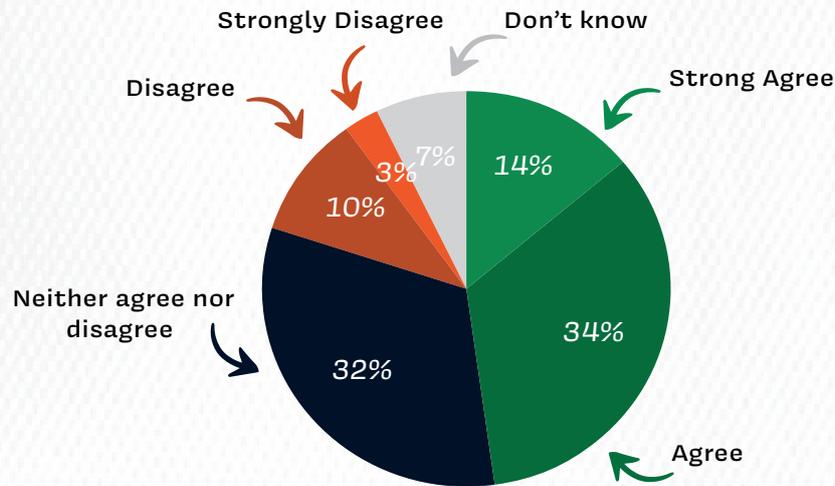
Moreover, in the focus groups, there was adamant resistance by less affluent voters to anything that might get in the way of an economic recovery, so much so that participants were divided in their support for a 'green recovery', some discounting the notion upfront in favour of the need for speed. We expect that - once furlough ends and businesses closures and unemployment start to take effect - this preference for a fast recovery may become much more pronounced.

This suggests that more has to be done to present a 'green recovery' as a job-creation opportunity, such that it isn't viewed as a compromise (economy vs environment), but an opportunity (investing in the environment can have positive impacts for the economy). This proposal is supported by our poll, where 'a recovery that gets people back into work as soon as possible' was the second most popular approach after 'a recovery which focuses on keeping the rate of infections as low as possible.'

Which of the following comes closest to your view?



Investing in an environmentally friendly economy is the best way to help our economy recover: Do you agree or disagree?



2. Environmental policies should centre around fairness: for individuals, for businesses, and for the UK in a global economy

When asked about potential policies to help pay for pollution, **'taxing big businesses that produce the most emissions, while exempting small businesses'** was the most popular policy.

72% supported this, and 41% of respondents selected it as one of the top three policies the Government could take. Our focus groups supported this finding, with professional groups especially exhibiting significant criticism of big businesses' failure to curb their emissions.

However, there was sympathy for the plight of SMEs and a clear preference for a pragmatic, fair, and incentive-driven approach to tackling the UK's emissions. Focus group participants expressed a desire to see companies rewarded for 'doing what they can', as opposed to facing punishment on account of the emissions intensity of their chosen trade.

This attitude also extended to households, where focus group participants across the board demonstrated an interest in how incentive schemes (such as lower taxes and tax rebates) could be used to reward good behaviour.



There was also a desire to see the wealthy pay more towards tackling pollution. 56% of respondents agreed that tax should be raised on the wealthiest. Just 18% supported raising income tax.

There was a corresponding desire to see low and modest income households protected from unfair cost burdens. In the poll, this was more concentrated amongst low income earners specifically; a carbon tax rebate to poorer households commanded a higher preference among lower social grades (40% among E, 32% among D, compared to 16% among A).² However, this sentiment persisted across focus groups and, when probed, was justified not only on the basis of greater material wealth, but also because wealthier households were perceived to be the heaviest energy users.

The expectation of fairness also inflected people's views on tackling climate change generally; 74% of poll respondents felt it is impossible to stop Global Warming without other countries' changing the way they act, which rose to 87% among 65+ voters.

Overall, there emerged a strong appetite for 'justified' changes to the tax system alongside other 'levelling up' fiscal interventions to help provide people with incentives to change their habits.

3. Piecemeal solutions won't cut it; we need a holistic approach to tackling our emissions

A proposal to raise tax on household gas was divisive when presented as a standalone response to climate change. In the poll, this ranked lowest in participant's preferred carbon charging policies (only 16% put it in their top 3), and in the focus groups, the majority of participants were either actively hostile or grudgingly accepting of the need for such a policy. Support notably increased when a household carbon tax was presented as part of a broader approach in which all polluters were made to pay for their emissions.

That said, 38% of respondents did support the Government raising taxes so that more polluting heat sources (such as gas) become more expensive (vs 26% opposition), when accompanied by the caveat that some of the revenue raised would be returned to households.

²/ Segmented according to NRS social grade classifications. 'A voters' are defined as upper middle class (Higher managerial, administrative or professional), while 'D voters' are defined as working class (Semiskilled and unskilled manual workers).



Hesitation towards a household carbon tax was likely motivated by concern around costs, which emerged in both the focus groups and in the Conjoint analysis³ - where measures that would see Gas Bills rising to £45 a month extra in 10 years' time received 20% less support than when rising to £15, taking all other parts of the policy package into account.

Support was also impeded by scepticism about a carbon pricing system being delivered as intended. Poll respondents were more likely to think that a pollution tax on businesses would result in their raising prices on consumers (50%)⁴ or finding loopholes (47%), than by reducing their emissions (39%).

There was clear hesitation towards energy efficiency improvements too. Only 18% of the sample had been offered energy efficiency improvements by the Government or their energy supplier, and 36% of those who had been offered them had not taken them up - citing expense, perceived complication and resistance to taking out loans as the key barriers. This was also the case with electric vehicles; 53% of respondents cited expense as the main purchase barrier, followed by the inconvenience of charging at 33%.

This suggests that carbon pricing policy needs to be presented as part of a coherent system-wide programme of change that has been designed to make it easier - and financially viable - for households to make alternative environmentally friendly choices.

4. Carbon pricing can gain support, but only where the motivation is clear and alternatives are provided

Polling demonstrated absolute support for a carbon tax - even when we made it clear that this might initially raise bills for consumers. **59% and 63% of respondents respectively supported Ireland and Canada's policies of levying carbon charges on gas and fossil fuel companies.** What's more, 57% of poll respondents said they would support a policy that increased taxes on polluting businesses, compared to 29% who preferred business incentives (i.e tax cuts).

Support for carbon pricing was noticeably more palatable when accompanied by complementary measures to help manage price

³/ Conjoint analysis involves the randomisation of different elements of a policy package to assess their individual impact on support for the package as a whole.

⁴/ Interestingly, this distrust of business is highest among older respondents - only 38% of 18-24s think this would lead to them increasing their costs on consumers, compared to 60% of 65+.

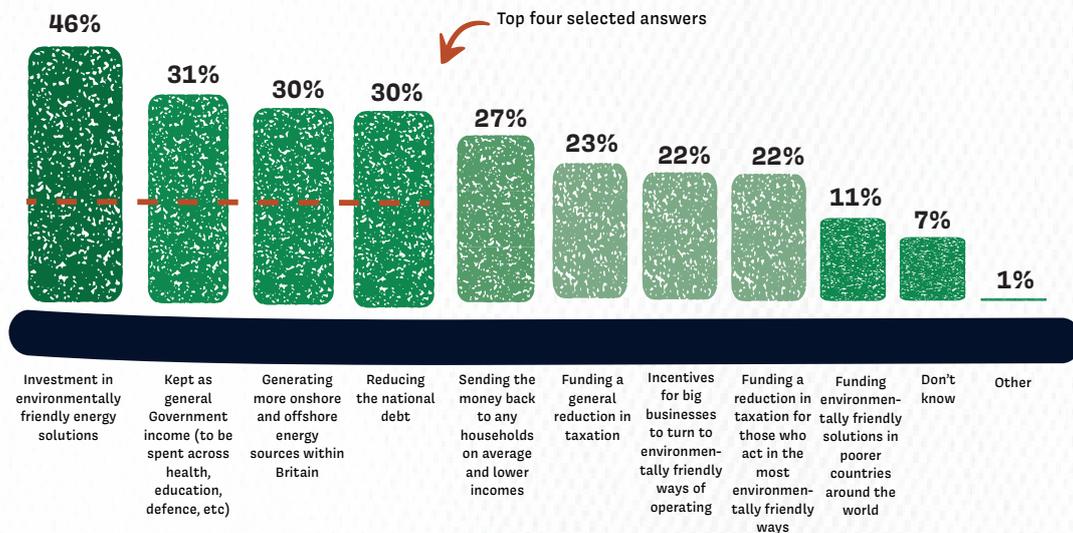


rises. For example, in Walsall, there was a desire for the Government to provide a great deal of warning so that people could change energy sources over time, and in Stoke, most people’s support was contingent upon the Government providing low interest loans for new boilers, fearing the upfront cost barrier.

This was reflected in both the poll (of those who were offered energy efficiency improvements 60% had taken up at least part of the offer; rising to 81% of 65+), and our Conjoint analysis, where **policy packages were notably better supported when they included the provision of money by the Government to help households transition to energy efficient options.**

Our exploration of the role that carbon pricing might play in a green recovery further demonstrated the importance of conditionality and motivation.

If the Government was to raise environmental taxes, which of the following would you prefer the revenue to be used for? Please select up to three



When asked how they’d prefer increased environmental taxes to be spent, **46% of respondents wanted to see revenues invested in environmentally friendly solutions, 31% wanted to see them kept as spending on public services and 30% wanted them used to expand green sources of energy.** This compares to just 23% support for using revenues to fund a general reduction in taxation.



Note on attitudes towards the environment:

It is important to note that, whilst the concept of 'net zero' is popular, the Government's policy of achieving net zero emissions by 2050 is not well known. 47% of respondents had either never heard of net zero or were unable to correctly identify the meaning of the term; and while 44% of A voters had definitely heard of it, only 14% of D voters had a comparable level of awareness.

However, following clarification, a clear majority (68%) of respondents said they supported the proposal, and when asked if the Government should delay the 2050 Net Zero plan to focus on the economy in the wake of the Covid-19, a majority (53% to 35%) said the net zero target should remain or be sped up.

Support for driving environmental action forward in the post-pandemic period was mirrored in the levels of environmental concern revealed by the poll. **60% of respondents said that they felt they had been more aware of the natural environment since the lockdown** - a finding that was reflected in the focus groups - and **52% cited the environment as a pressing or one of the most pressing issues facing the UK.**⁵ This is an especially strong response given that this poll was conducted during a global pandemic.

Nonetheless, the research also revealed a lack of informed understanding of what 'protecting the environment' actually constitutes, and how certain policy positions contribute toward this objective. For example, respondents were generally more likely to regard plastic pollution as a concern than climate change (68% to 51%), although these are equal among 18-24 year olds (58% of whom cite climate change as the most pressing environmental concern).

55% also thought that banning plastic packaging would greatly or completely reduce the UK's negative impact on the environment, while only 38% thought that a ban on petrol cars would produce this effect.

Our research also demonstrated scepticism towards the Government's ability to deliver on its environmental responsibilities. While people overwhelmingly believe that the Government has the responsibility of tackling climate change in the UK (67% cited Government as being most responsible for tackling

⁵ 7% said it was the single most important issue at the moment, 45% said it was one of the most pressing issues of our time. 44% of Conservatives and non voters believe it is an issue, but other issues are more important, Non-Voters, while 63% of Labour view it as a pressing issue. This is a more clear distinction than the age distinction (62% of 18-24s view it as pressing, compared to 53% of 65+).



climate change),⁶ they also distrust them to do what is best for the environment (35%, compared to only 25% who trust them).

Note on the methodology:

The Zero Carbon Campaign commissioned [Public First](#) to conduct two strands of opinion research to help inform a review of UK carbon pricing policy:

Qualitative research: composed of eight online focus groups discussions, carried out between the 18th and 29th of May. The groups were recruited to reflect the most important audiences for the report from a political and societal impacts perspective. The geographic profiles of the groups are outlined below:

- a. East Sheen
- b. Rotherham
- c. Manchester (x2)
- d. Norwich
- e. Stoke
- f. Walsall
- g. London

Quantitative research: comprising a nationally representative poll with a 2,000 sample to test attitudes towards carbon charging, as well as general attitudes towards climate change and the green recovery. The poll featured multiple choice, and open response questions, as well as a Conjoint test, and fieldwork took place between 2nd and 4th June 2020.

