



# The Cost of Perception: How the Perception of Public Support Influences Decision Making in Multi-level Climate Governance

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"Solutions to the climate crisis are within reach, but in order to capture them, we must take urgent action today across every level of society." — Al Gore, before the Paris climate negotiations in 2015

## Introduction

"Multi-level governance" has a critical role to play in addressing the climate crisis; only combined efforts from all levels of government, private firms and individuals have the potential to realise the decarbonisation of the economy. Multi-level governance has more flexibility to adapt strategies to the challenges and capabilities of the region and match local preferences and the community's identity. So-called "regulatory costs" are incurred in the process of policymaking. The Regional Energy Strategy of Friesland is used as a case study to investigate how decision making with respect to raising public support is affected by policymakers' perceptions of regulatory costs in a multi-level climate governance process. The main research question of this study therefore is: *How are the costs of raising public support perceived in the Regional Energy Strategy in Friesland?*

## Theory

Multi-level governance works between governmental layers and private actors, taking advantage of local knowledge, resources, and attitudes in a continuous process of dialogue, negotiation, and bargaining to increase problem-solving capacities. This process incurs different types of costs, but this research is limited to the preparatory phase of the policymaking process, focusing on the costs for raising public support as part of decision-making costs. These costs are not objective: decisions are made based on *perceived* regulatory costs, since the actual costs are unknown before the decision is made. The policymakers' perceptions are important because if their initial cost-benefit evaluation is inaccurate, this may lead them to preserve knowledge gaps, pursue sub-optimal policy options, and/or maintain the status quo. Therefore, it is worthwhile to investigate how regulatory costs are perceived with regards to raising public support, especially since one of the core benefits of multi-level governance is that it has the potential to arrive at policy solutions that match closely to the community's preferences and identity.

## Methods

A qualitative, exploratory study was performed using the Regional Energy Strategy (RES) in Friesland as a case of multi-level climate governance. The RES is described as "a way of organising long-term cooperation between all regional parties" and was set up to achieve the national climate goals for 2030. The Netherlands is split up into 30 regions; each region makes a "bid" in which they specify how much and what kind of renewable energy they plan to produce, and all bids together should add up to the target for renewable energy in 2030. The Friesland region is examined, using interviews with multiple actors directly involved in the process. These interviews have been analysed to gain insights about the perceptions of the policymakers in the Friesland region with regards to raising public support.

## Findings

While the Friesland region has initially stressed the importance of public support in the RES, during the preparatory phase there has not been much attention for the involvement of the public. There is much uncertainty about public support for future projects, which increases the chance of inaccurate perceptions of the policymakers. Furthermore, the perceived regulatory costs with regards to raising public support for the energy transition is relatively high – however, this is based on assumptions which mostly stem from historical troubles in renewable energy projects. Lastly, we see that these points, together with a knowledge gap in the technical domain, lead to a retention of the status quo. The high uncertainty, high perceived regulatory costs, and retention of status quo seem to reinforce each other in the policymaking process.

## Conclusion

For the Regional Energy Strategy to be successful, it should express the community's identity and match its preferences, however it is currently unclear whether the RES Friesland has achieved this. The policymakers seem to perceive the cost-benefit ratio of raising public support as too high in this phase of the process to actively involve local residents in the process. The end result is that little decision making is actually done on the side of the policymakers. Because they assume little support with regards to the energy transition, they act as if there is little public support, leading to little ambition being shown in the (draft) RES.

## Theoretical Contribution

Although multi-level governance has the potential to match local preferences and identity, policymakers in an MLG process should be wary of their own perceptions with regards to public support to prevent a cycle of inaction, uncertainty and high perceived regulatory costs. Thus, this research adds to the multi-level governance and transaction cost economics literature showing that MLG does not inherently promote community engagement but can lead to obstacles in decision making when policymakers base their decisions on assumptions.

## Practical Implications

The Regional Energy Strategy has a lot of potential to come up with effective policy that is widely supported by the public, because the multi-level governance nature of the process allows policymakers to come up with regulation that matches the community's preferences and identity. When involving residents of the region in the process towards the final RES, it is important to treat citizens as a fully-fledged stakeholder in the process of the RES and facilitate an open discussion in which they are able to fully express their views. This will reduce the uncertainty from both the side of the policymakers and the side of the public, opening up the collective frame to new ideas and viewpoints and thus moving away from the status quo.