

Communication of Energy Subsidy Reforms: Key Recommendations

Christopher Beaton
Global Subsidies Initiative (GSI, www.iisd.org/gsi)
16 May 2018

Objectives



- Why is communications important for energy subsidy reform?
- How should governments approach such communications?



Why?

Role of Communications in ESR



- **Politics** are typically the biggest barrier to energy subsidy reform...
 - ...and a key reason why reforms backslide and subsidies return.
-
1. Strategic communications can increase **political space** by...
 - Ensuring the rationale for reform is understood
 - Activating existing allies
 - Influencing some stakeholders to either neutral or supportive views
 - Countering opposition

Role of Communications in ESR



2. Comms makes reforms more **sustainable** by improving levels of...

- **Government performance:** Better program design
- **Responsiveness:** Knowing citizens' needs and responding to them
- **Accountability:** Explaining policies and being accountable
- **Trust:** Transparent and participatory processes

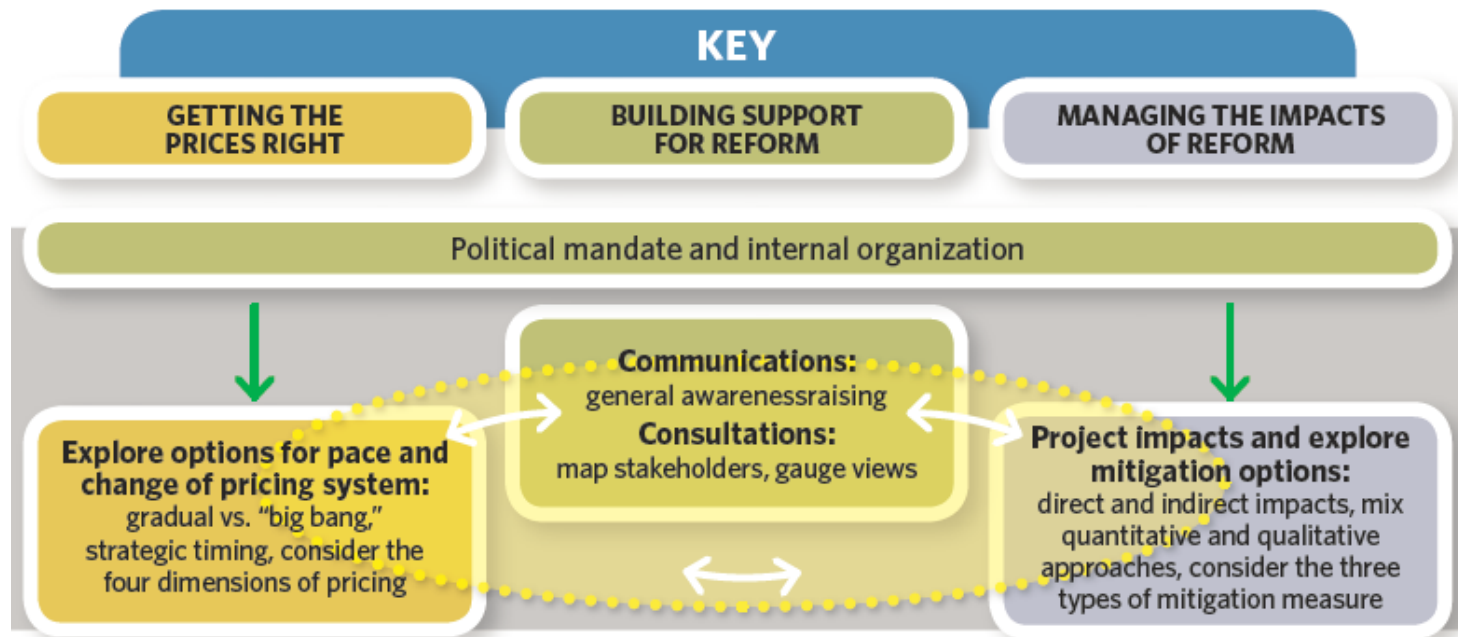


How?

Key Principles



- Country circumstances very individual, but common needs in terms of planning and preparation
- Communications is only one of several key areas in planning reforms: close engagement required with developing a new pricing policy and an impact mitigation strategy.



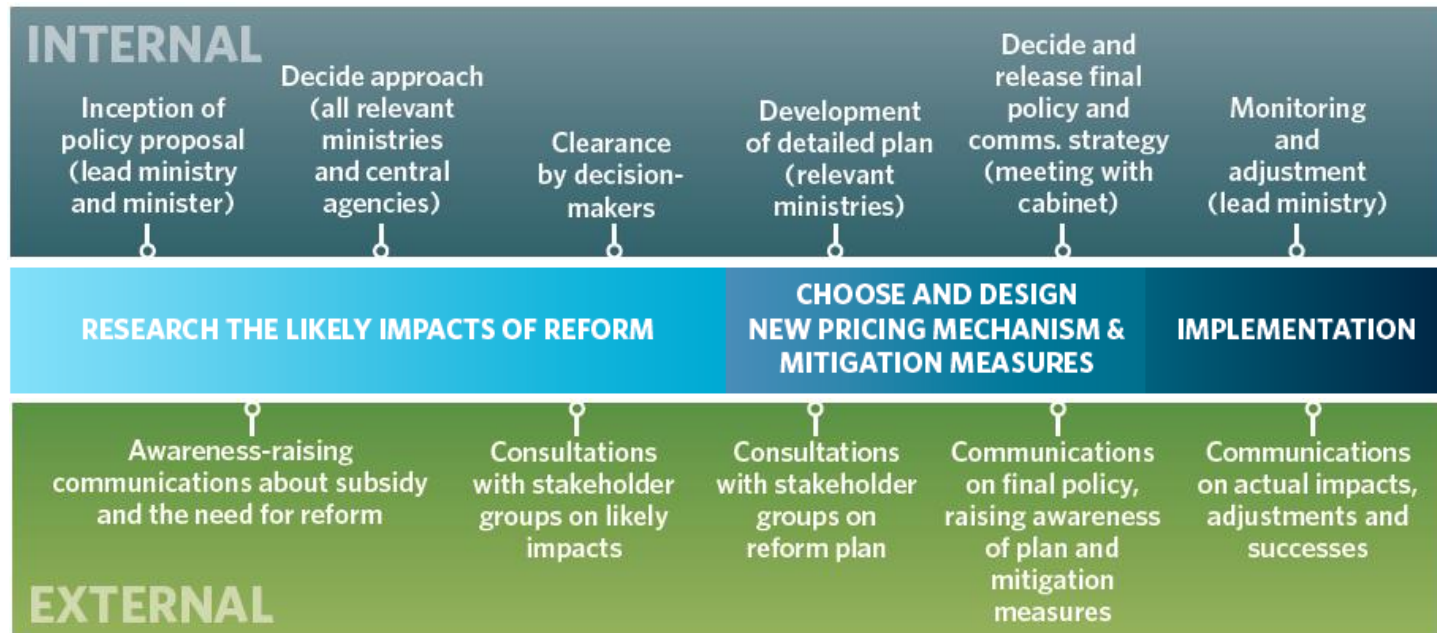
Stages in Developing a Comms Strategy



Organizing and Understanding



- Communications is two-way: we have to begin by listening
- **Internal:** Need whole-of-government approach and adequate capacity
- **External:**
 - Evidence-based approach to understanding audiences, attitudes and how they access information – PE analysis with interviews, FGDs, surveys
 - The information we discover should be able to influence reform plans themselves, not just communications plans; an iterative approach



Messaging



- Strategic communications will develop messages to target specific audiences, e.g.
 - A specific sub-set of households (e.g. by income group, location)
 - Cities or regions
 - Labour groups
 - Transport operators, vehicle owners
 - Energy intensive industries
 - Agricultural sector
- Government communications must be responsible and fact-based – but technocratic messages alone are unlikely to resonate. Messages must speak to the heart as well as the head.
- Common messaging themes may include:

Raise awareness of subsidy problems	Neutralize opposition	Raise awareness of gains from reform	Raise awareness of reform plans
Costs, inefficiencies, comparison with other countries, impacts on the poor and the environment.	Identifying smuggling and corruption, countering misconceptions.	Savings, target aid to the poor, more social spending, better standard of living.	Explaining reforms and mitigation, showing relevance to stakeholder needs, noting successes.

When & Through What Channels



- Start **early**
 - Time required for meaningful research and consultation with stakeholders
- Plan communications over the **long term**
 - Energy subsidy reform in most countries is not an event but a process
 - Typically part and parcel of larger-scale energy sector policies
 - Communications will be more effective and strategic if it is sustained
 - Implies an ongoing strategy with a “crisis” strategy for key reform events
- **Channels**
 - Choose based on data about how audiences access information
 - Typical channels include: announcements, adverts or discussions in radio, television and print media; advertisements at purchase points or on consumer bills; social media
 - Crisis communications should include teams to review ongoing media reports and swiftly tackle misinformation
 - *Who* speaks can be as important as *what* is said – seek participation from trusted spokespeople – including Executive leadership

Monitoring and Evaluation



- Strategic communications should be held up to objective evidence on its impacts
- Plan periodic reviews of communications, including:
 - Media citations; analysis of coverage to evaluate trends
 - Tally attendance to comms activities (workshops, advocacy farming sessions, town hall meetings, trainings, media chats)
 - Proportion of communications activities implemented
 - Feedback on impact through success stories, focus groups and sampling surveys
- Adapt strategy in the light of evidence and new circumstances

Thank You

For any questions or comments, contact cbeaton@iisd.org



Data from Indonesia



- See following slides for some detailed examples on survey data from Indonesia
- For more detailed information, see:
 - https://www.iisd.org/gsi/sites/default/files/ffs_indonesia_perception.pdf
- Large sample so survey data are nationally representative and allows for audience disaggregation
- Full survey is focused on attitudes to gasoline & LPG subsidies, although slides are focused on gasoline subsidy attitudes
- Key findings were:
 - Broad opposition to reform but with some interesting variation by sub-groups
 - Very low awareness of basic information about subsidies
 - Even in the very short-term, a significant shift in attitudes reported upon the presentation of new information

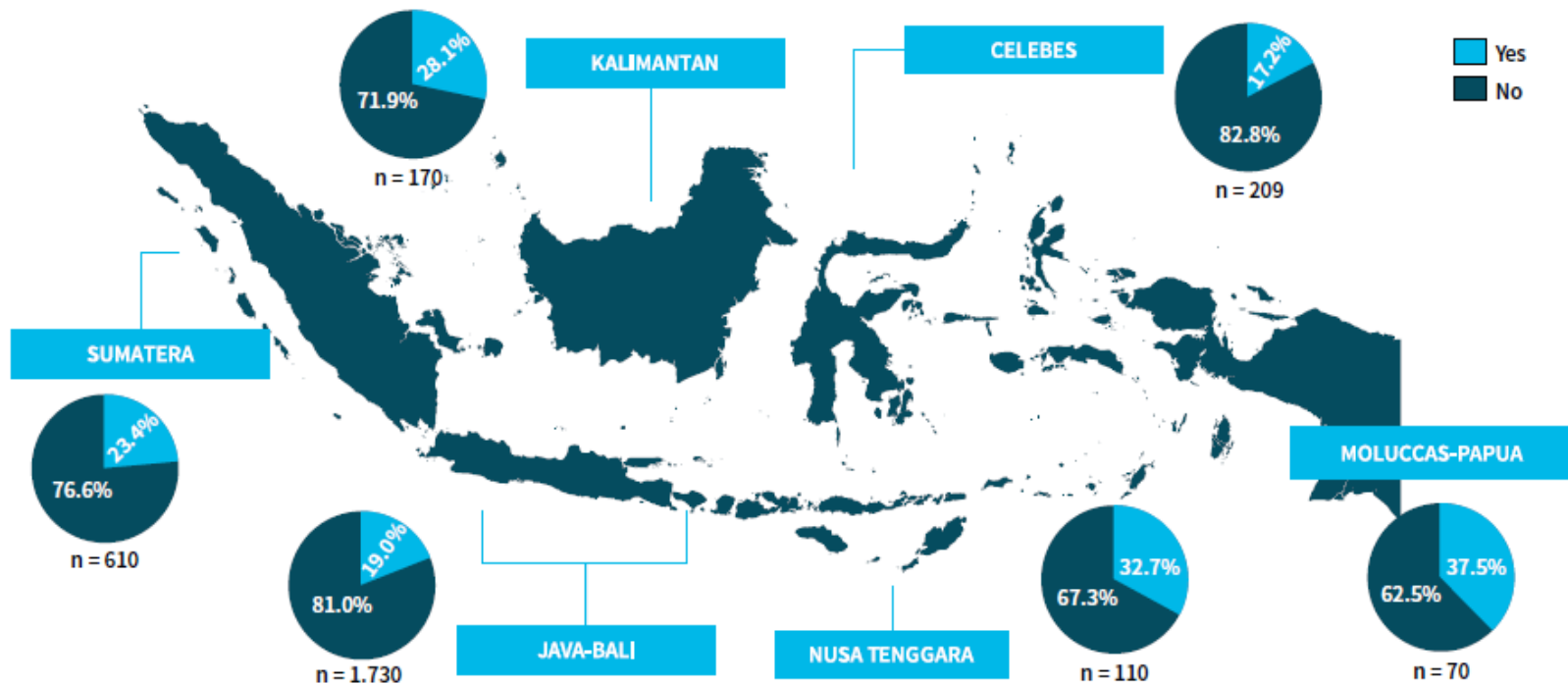


Data from Indonesia



- Surveys found large popular opposition to FFSR
- Strongest support in more remote regions (where access to subsidy is lower)

Public Support for Fuel Subsidy Reform in Indonesia, by Region

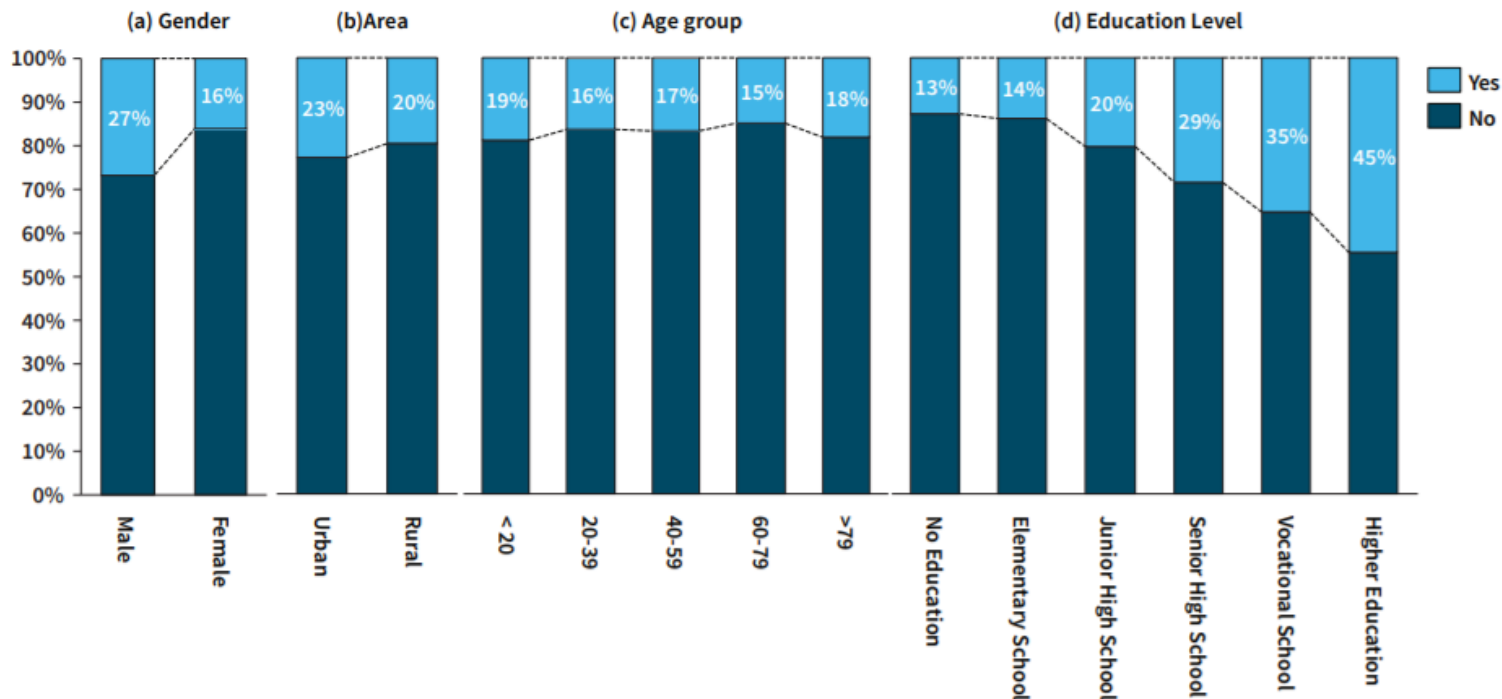


Data from Indonesia



- Gender and education significantly variables correlated with attitudes

Public Support for Fuel Subsidy Reform in Indonesia, by Gender, Area, Age Group and Education

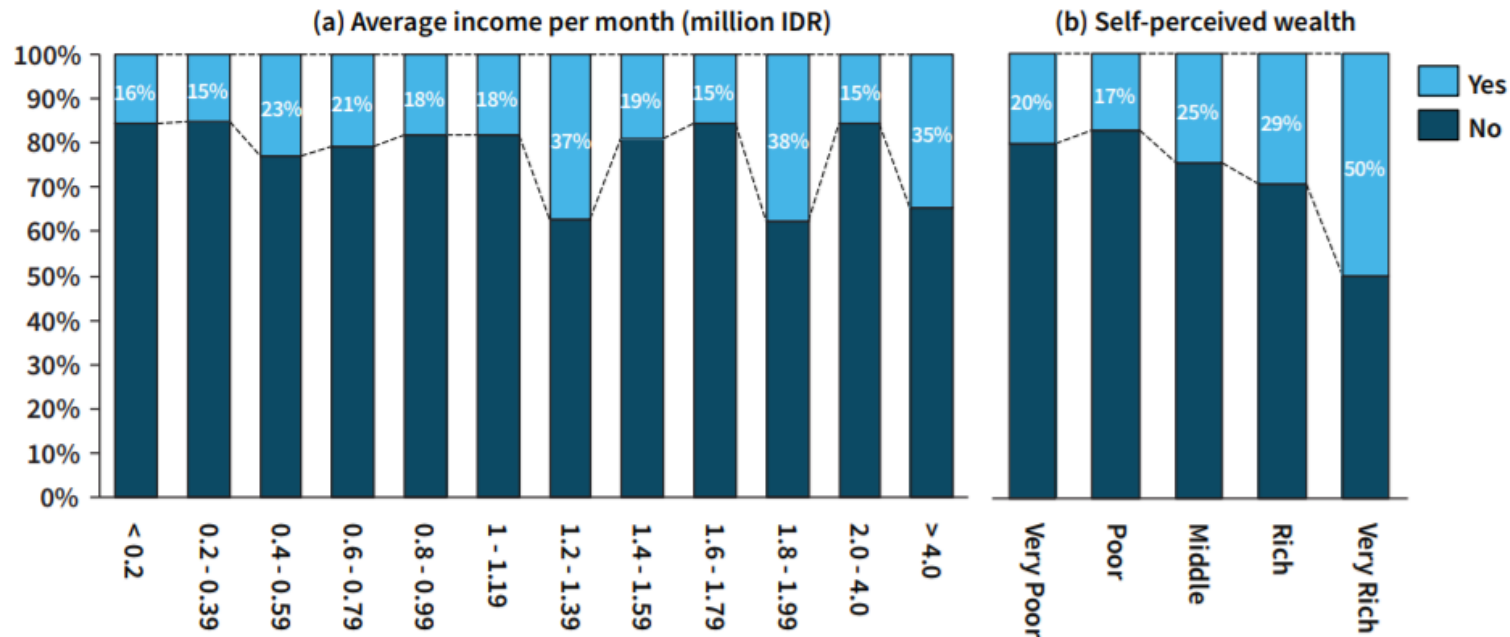


Data from Indonesia



- Wealthier households also more supportive

Public Support for Fuel Subsidy Reform in Indonesia, by Income

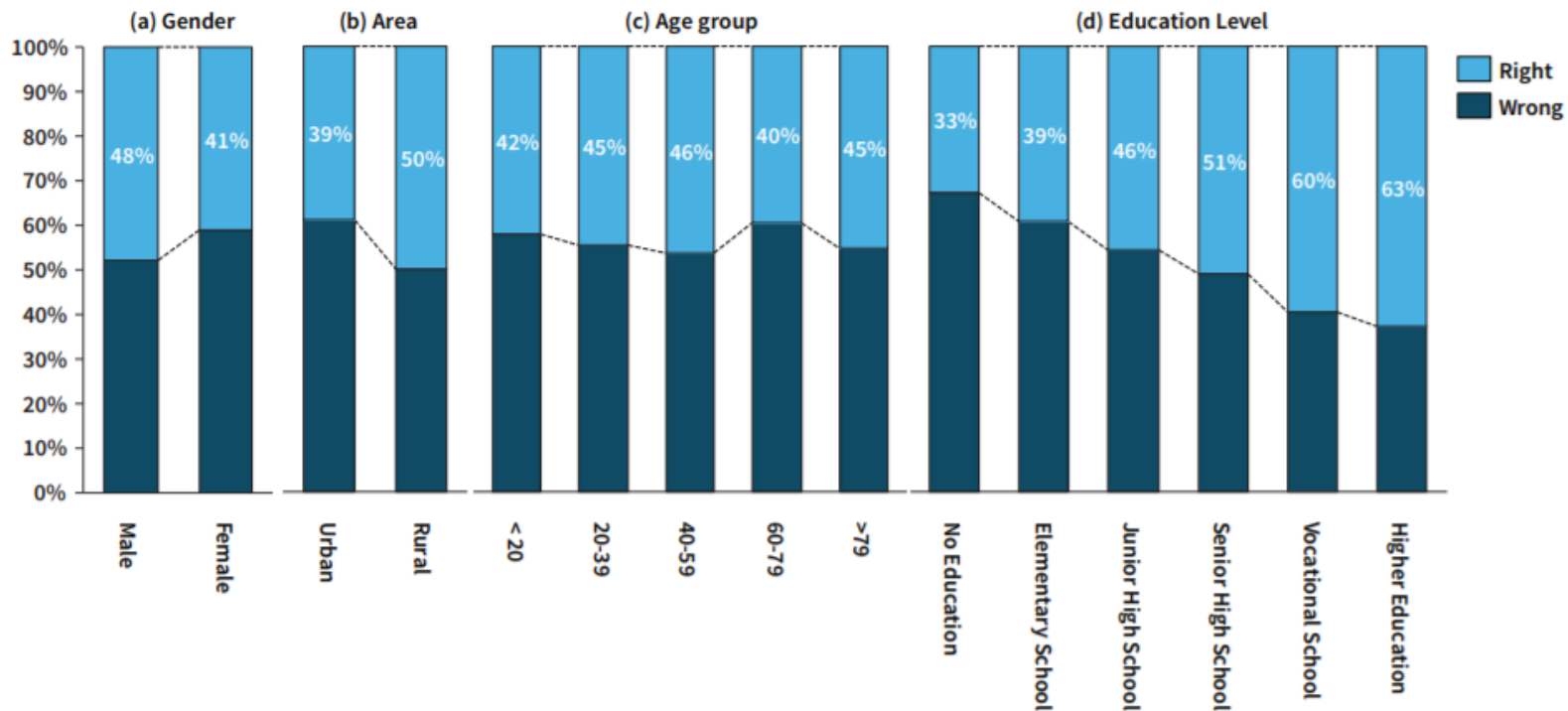


Data from Indonesia



- Around 50% don't know that gasoline is subsidized

Awareness that Gasoline is Subsidized, by Gender, Area, Age Group, Education Level

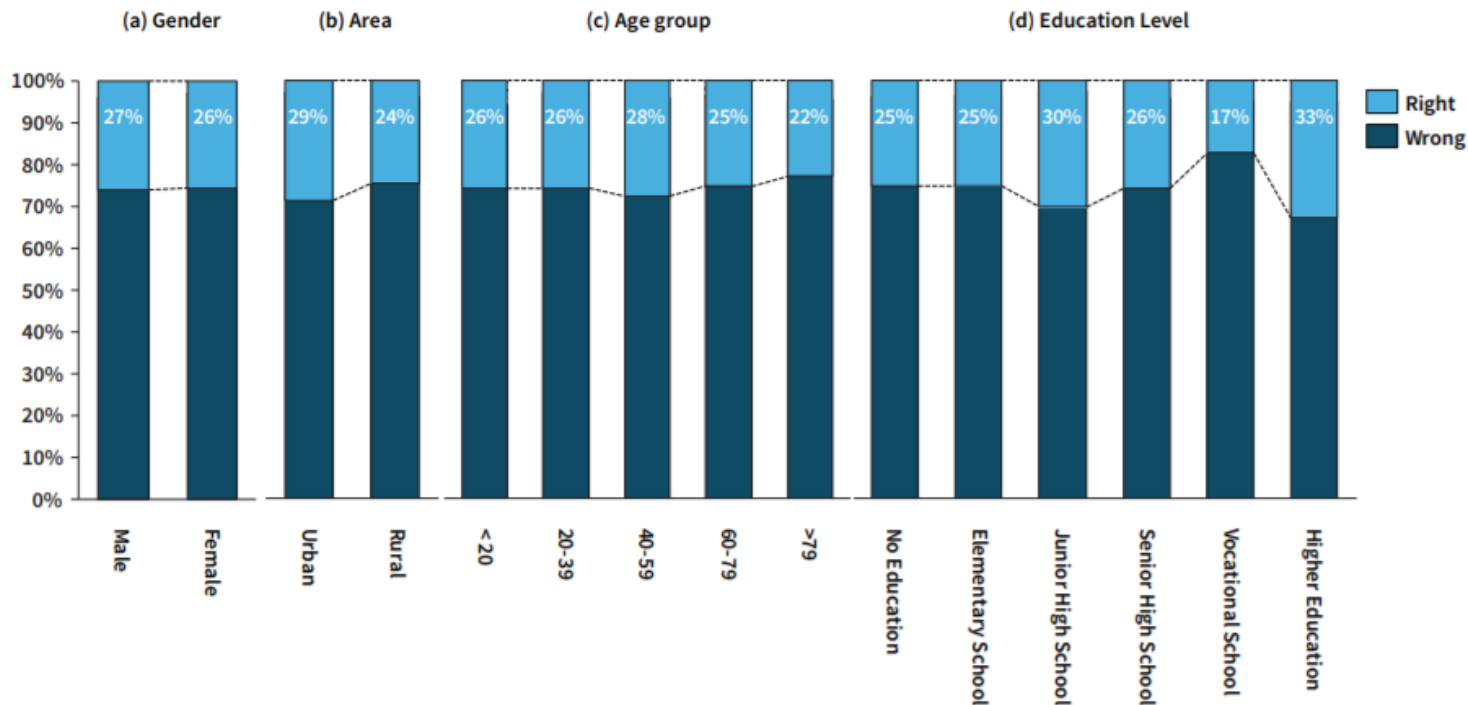


Data from Indonesia



- Even fewer - around 25% - know how much the government spends on gasoline subsidies

Awareness of Budget Allocation for Subsidies, by Gender, Area, Age Group, Education Level

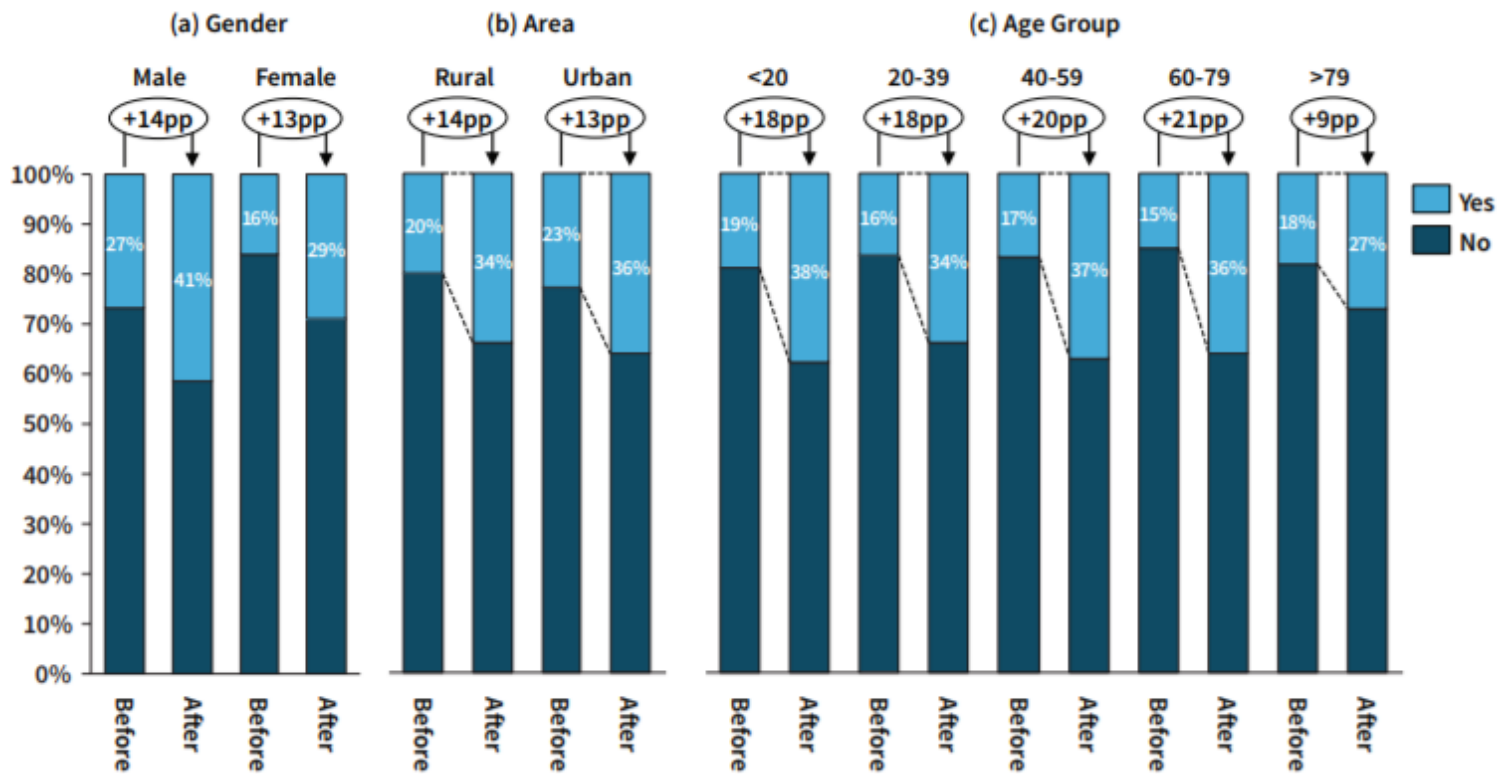


Data from Indonesia



- Significant shifts in opinion upon presentation of new information about subsidy costs
- NB. This shift is in the very short-term, i.e. duration of the survey itself. Larger shifts possible over longer term and in the light of mitigation measures.

Supportiveness Before and After New Information



Data from Indonesia



- Significant shifts in opinion upon presentation of new information about subsidy costs
- NB. This shift is in the very short-term, i.e. duration of the survey itself. Larger shifts possible over longer term and in the light of mitigation measures.

Supportiveness Before and After New Information

