

# Building Public Support for Energy Subsidy Reform

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# Context

- Need adequate and affordable energy for economic growth, higher living standards, and social equity
- Energy sector is financially distressed and its assets old.
- Maintaining access to quality services is a challenge.
- Often subsidies lead to waste and rampant demand growth.
- State support comes at the expense of other priorities.

# Need to build public support and understanding

- Explain why energy reforms are needed.
- Demonstrate how people can save money through energy efficiency and conservation.
- Ensure poor are protected.

# What is a communication strategy?

Also known as a communication campaign or plan

A strategic effort to:

- Coordinate to ensure buy-in and a consistent approach across the company and the government
- Consult with stakeholders to understand concerns and perceptions and
- Communicate externally to build understanding and support for reforms through dialogue and key messages

# Overview of session:

- Determine objectives (What do we want to accomplish, what is our timeline and who will govern the campaign?)
- Conduct public opinion research (focus groups, surveys)
- Map key stakeholders (What is their level of importance and influence on achieving the objectives?)
- Design compelling messages (What do we want people to know/feel/do?)
- Assign credible messengers and spokespeople (Who is a credible deliverer of our messages?)
- Identify optimal channels (Where do people get trusted information?)

# Determine objectives

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- Conduct public opinion research
- Map key stakeholders
- Design compelling messages
- Assign credible messengers and spokespeople
- Identify optimal channels

# Determine campaign objectives

- What do we want to accomplish?
- Objectives should be specific, achievable, and measurable
- Agreement should be reached among agencies about goals
- One year from now what behaviors would we like to see?

# Conduct public opinion research:

- Determine objectives
- Conduct public opinion research
- Map key stakeholders
- Design compelling messages
- Assign credible messengers and spokespeople
- Identify optimal channels



# Identifying & understanding the audiences

- Easier to communicate effectively with a specific audience
- Research to define & understand them:
  - Who is interested in the issue in question?
  - What do they already know?
  - What are their beliefs, preferences and values?
- Research methods: literature and media reviews; interviews focus groups, discussion groups and workshops; polls and survey research; web-based forums; public enquiries

# Conduct public opinion research:

- **Group exercise – example of a focus group**

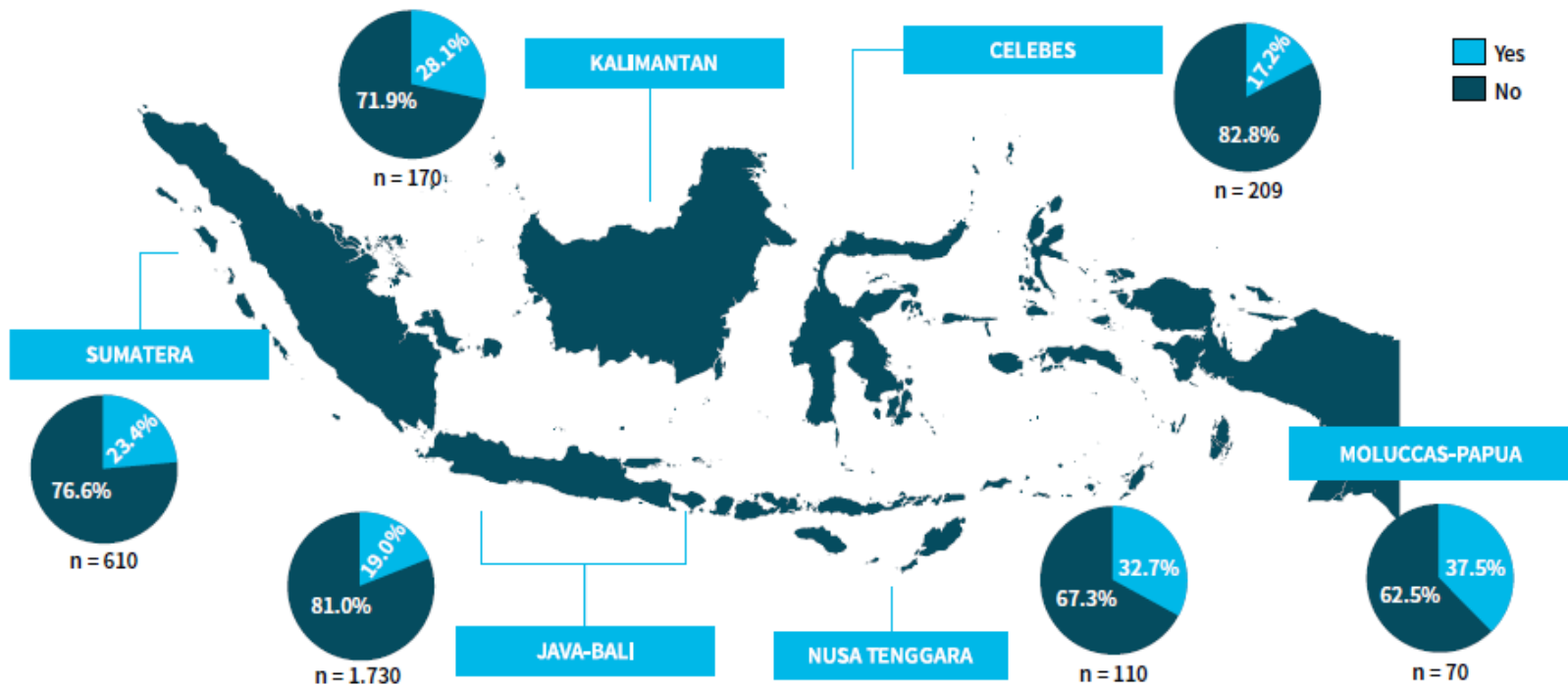
# Conduct public opinion research:

- Group exercise – example of a survey

# Data from Indonesia

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

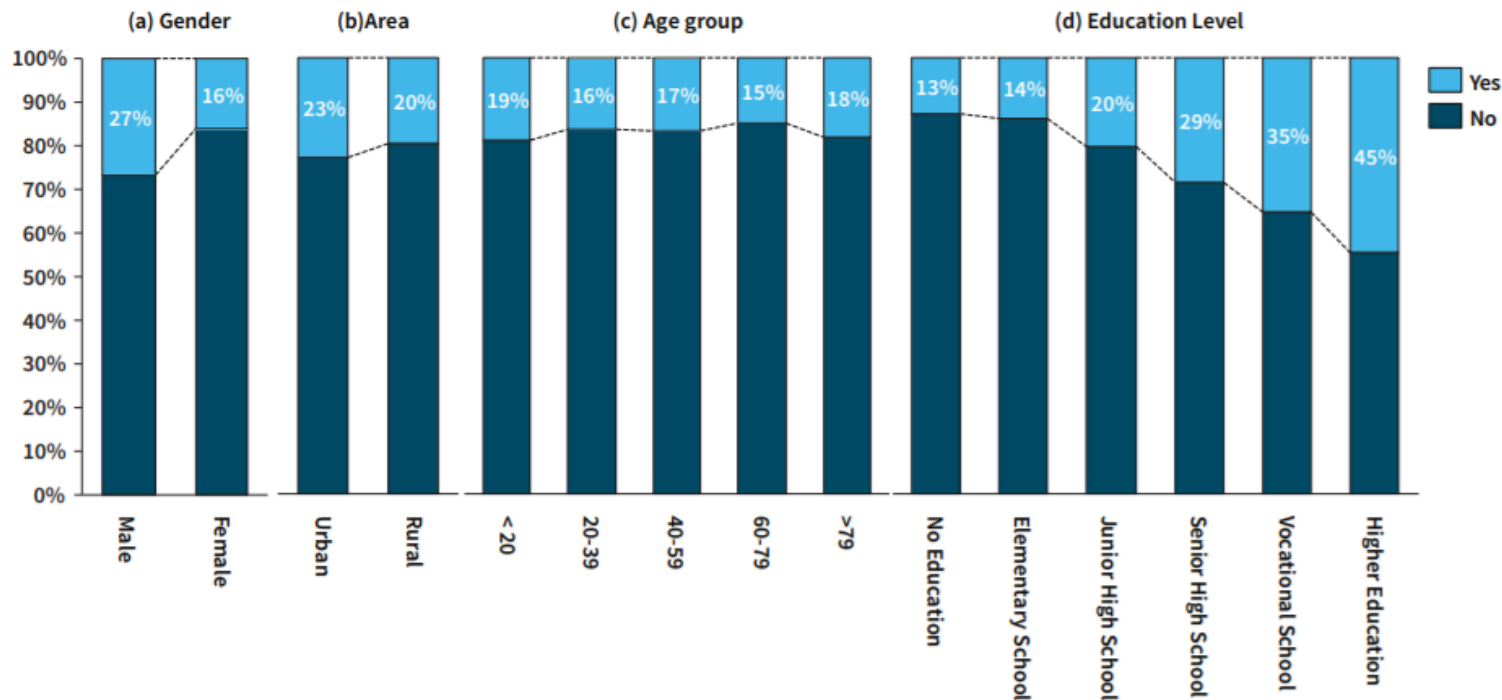
## Public Support for Fuel Subsidy Reform in Indonesia, by Region



# Data from Indonesia

- Gender and education significantly variables correlated with attitudes

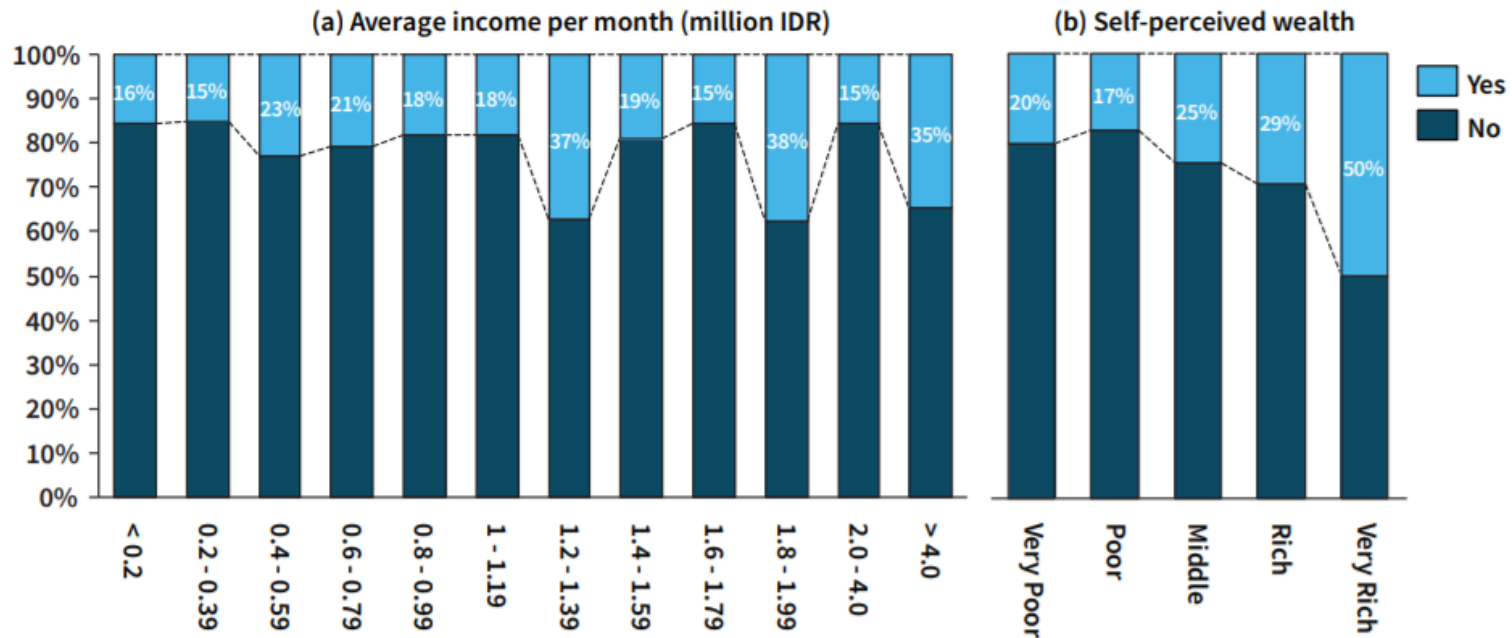
## Public Support for Fuel Subsidy Reform in Indonesia, by Gender, Area, Age Group and Education



# Data from Indonesia

- Wealthier households also more supportive

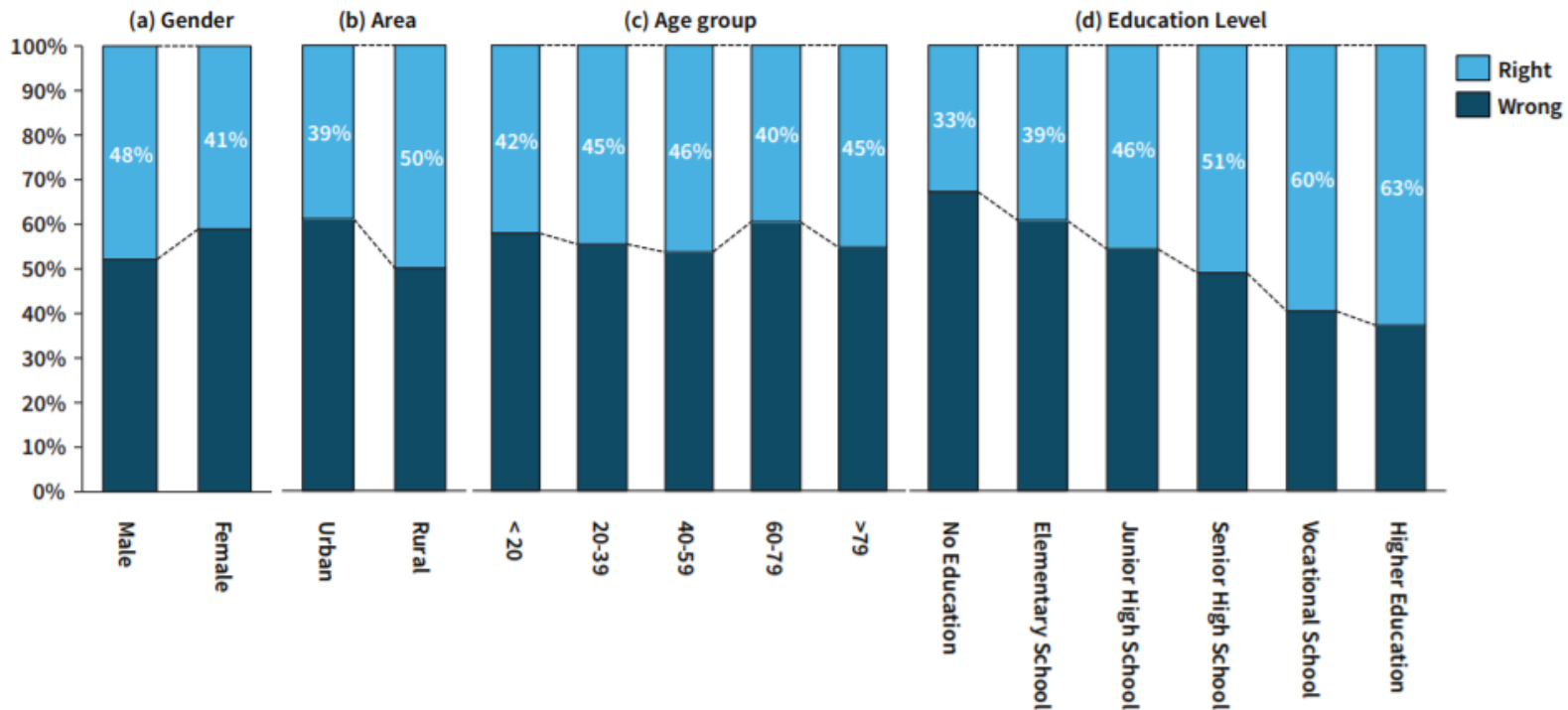
## Public Support for Fuel Subsidy Reform in Indonesia, by Income



# Data from Indonesia

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

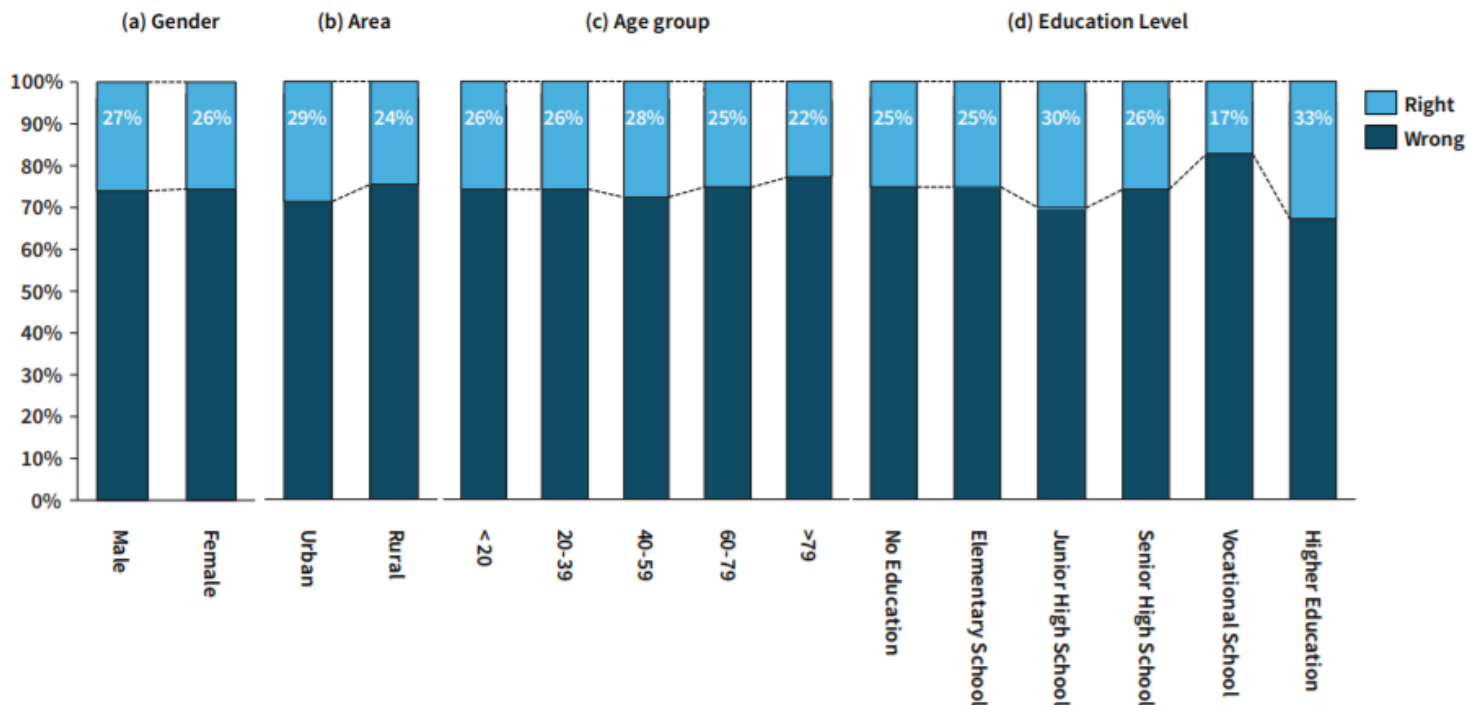
## Awareness that Gasoline is Subsidized, by Gender, Area, Age Group, Education Level



# 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

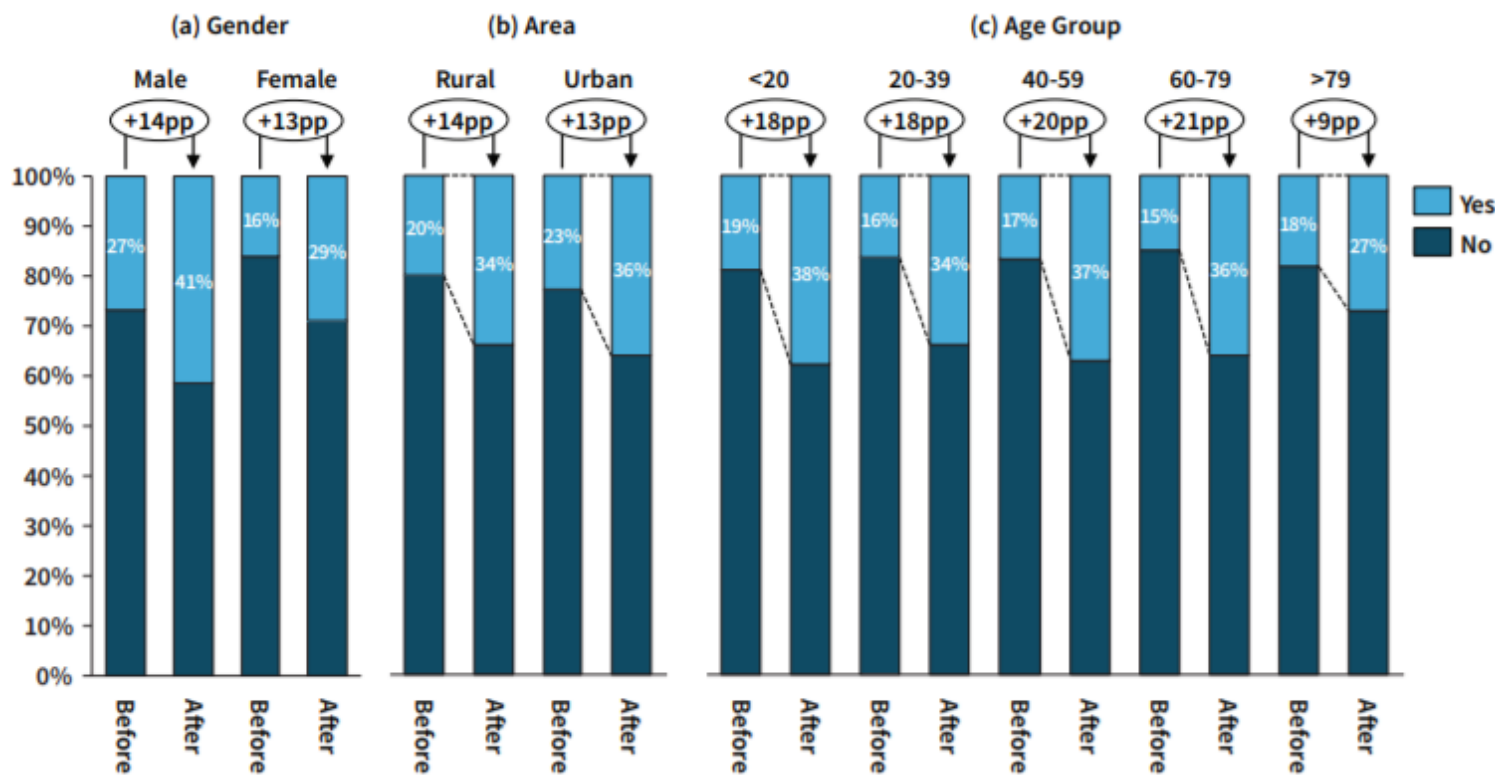




# Data from Indonesia

- 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.

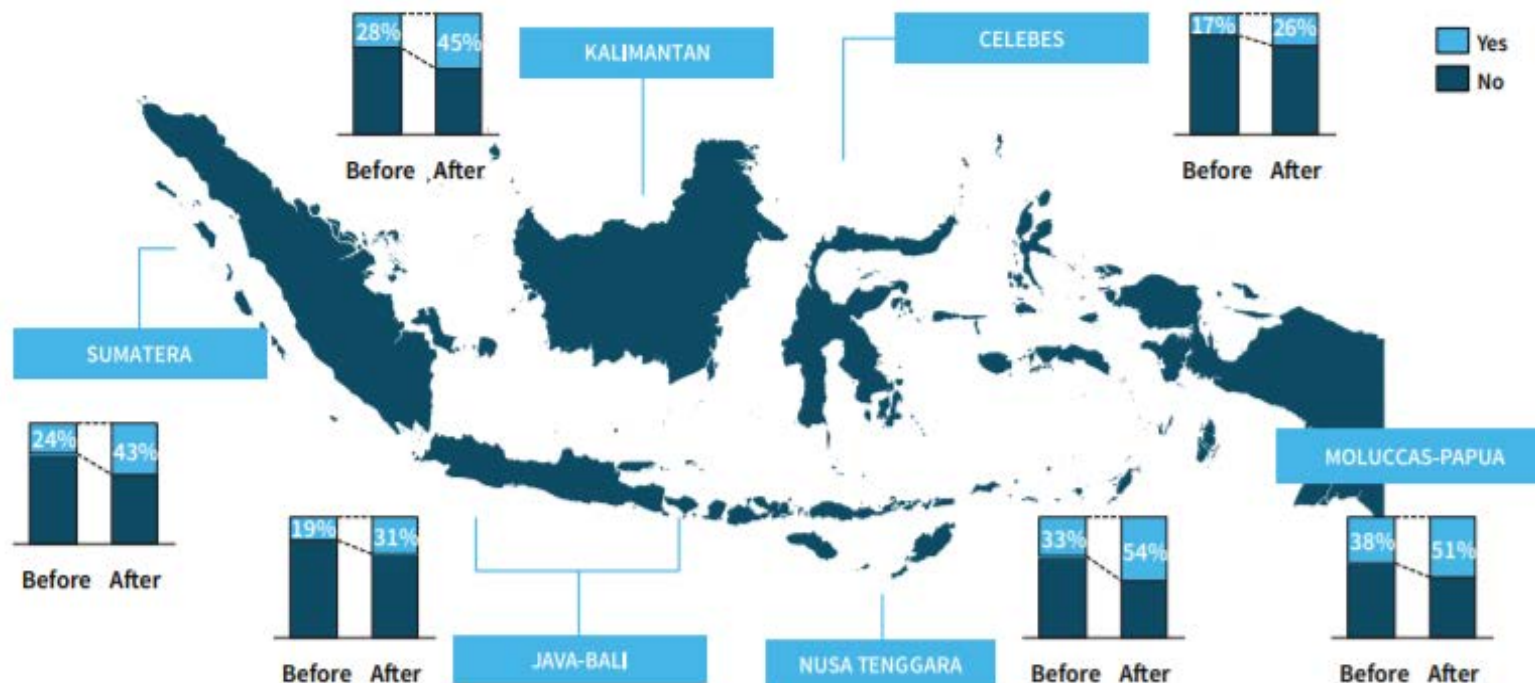
## Supportiveness Before and After New Information



# Data from Indonesia

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## Supportiveness Before and After New Information



# Map key stakeholders:

- Determine objectives
- Conduct opinion research
- Map key stakeholders
- Design compelling messages
- Assign credible messengers and spokespeople
- Identify optimal channels

# Why do we need to engage stakeholders?

Reforming the energy sector can be difficult, but many countries have done so without disruption by building support and acceptance among stakeholders.

Failure to consult stakeholders and to gain their support results in stalled and sometimes reversed reforms.

# How do we identify stakeholders?

Need to determine all groups and individuals who:

- Are impacted by reform
- Influence whether reforms succeed
- Will align with or defend those impacted by reform

# Which external stakeholders should be targeted?

- Who are the important external stakeholders?

# Should only external stakeholders be targeted?

No! Communications Strategies should establish strong coordination among government actors to ensure a consistent approach, buy in and a united front vis-a-vis the public.

Who are the most important internal stakeholders?

# How can we engage internal stakeholders about reform?

- Cabinet sub committee meetings
- Parliamentary committee
- Taskforce
- Inter-departmental committee
- Expert groups



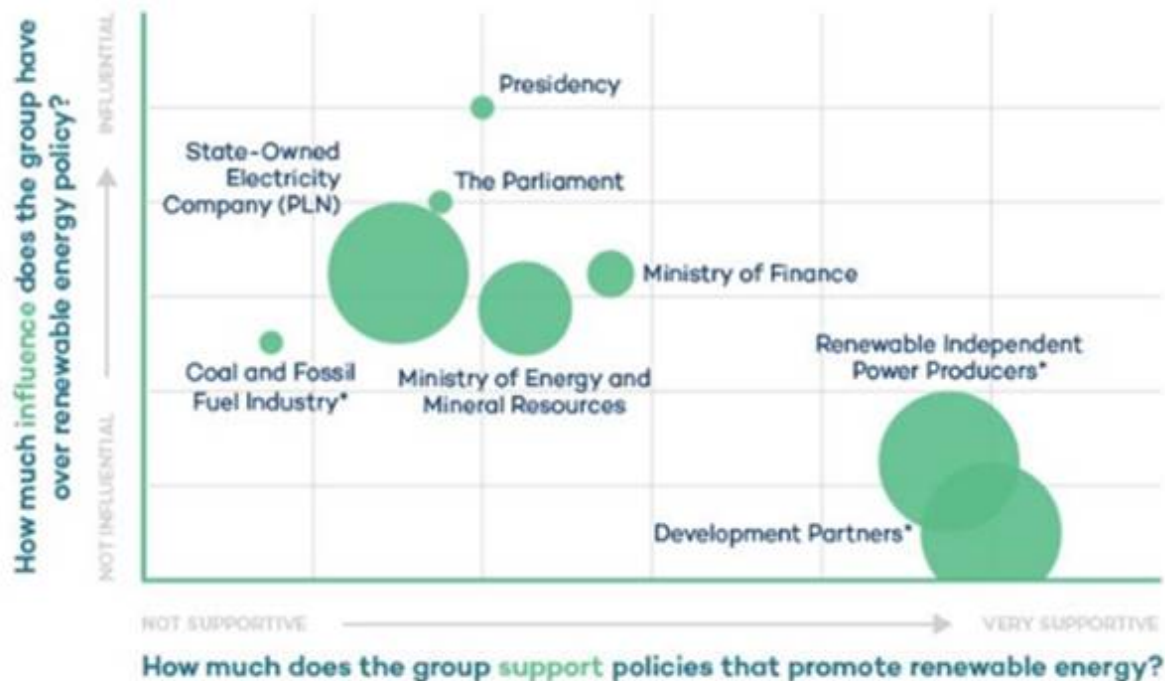
# To what degree are stakeholders impacted by, interested in or able to influence subsidy reform?

This depends on many factors, including:

- How much stakeholders benefit from current policies
- How much stakeholders will be impacted by reform
- How stakeholders will be affected after mitigation measures are implemented

# The political economy of renewable energy in Indonesia:

## Who are the main supporters, their influence and engagement?



The size of the bubbles represents the level of **engagement** of the group in promoting renewable energy technologies in Indonesia. The larger the size, the higher the engagement.

### \*Notes:

Coal and Fossil Fuel Industry: State-owned and private companies, local and international working with fossil fuels

Renewable Independent Power Producers: local and international investors, suppliers, project developers, auditors, experts and consultants

Development Partners: International actors supporting renewable energy and offering funding and/or technical support

# Exercise

High impact/Low influence

A

High impact/High influence

B

C

D

Low impact/Low influence

Low impact/High influence

# Exercise

Situate stakeholders according to their opposition and support



Source: GSI, 2013

# Designing and implementing a strategy:

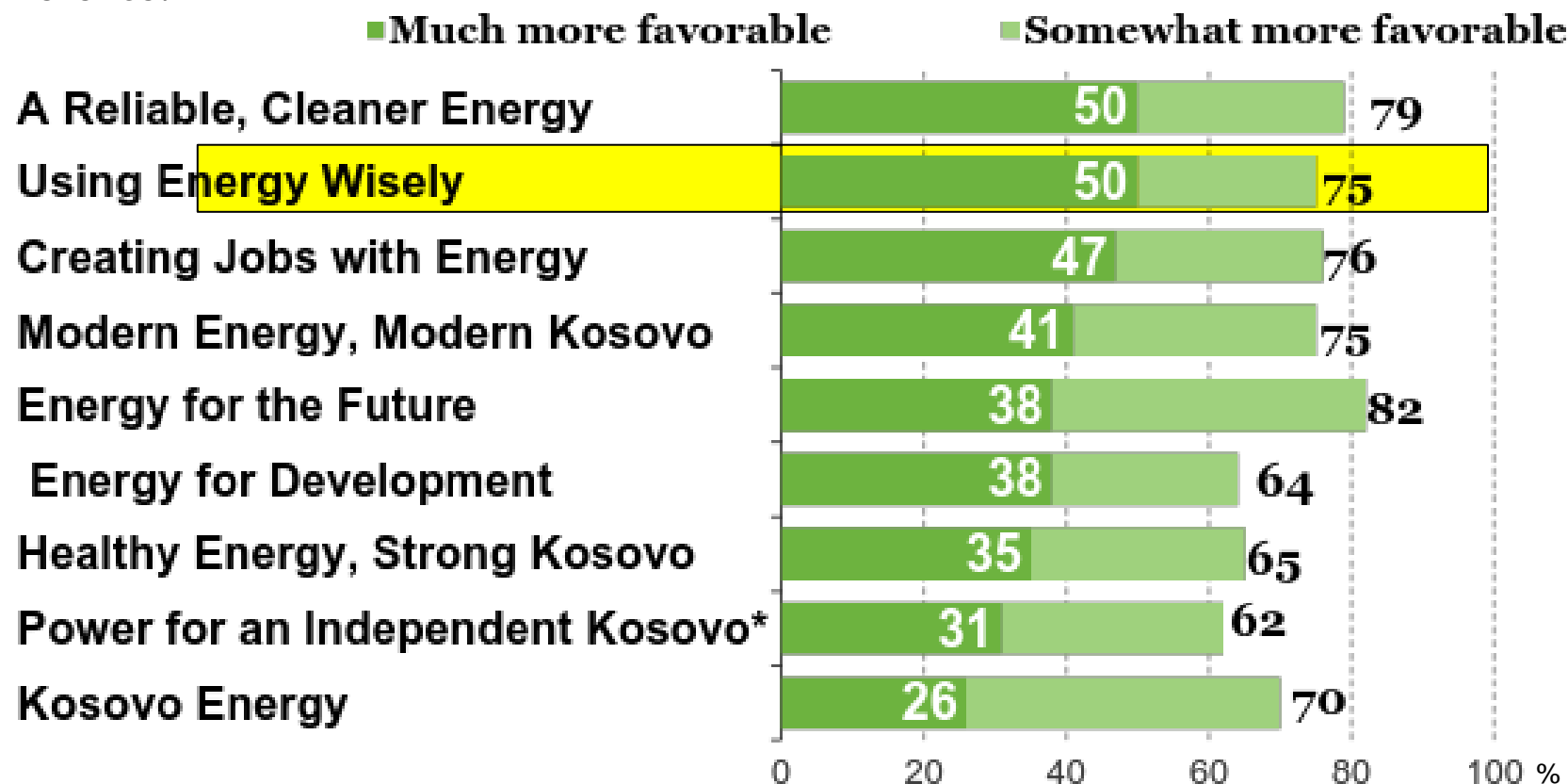
- Determine objectives
- Map key stakeholders
- Conduct opinion research
- Design compelling messages
- Assign credible messengers and spokespeople
- Identify optimal channels

# What do we want people to know/feel?

- Develop clear, concise messages that are relevant to people's lives
- Messages should be relevant, unique, and repetitive
- Appeal to principles – equality, individualism, ideals about government, patriotism, frugality
- Source credibility and trust are key to receptivity -your choice of spokesperson can make or break a campaign.

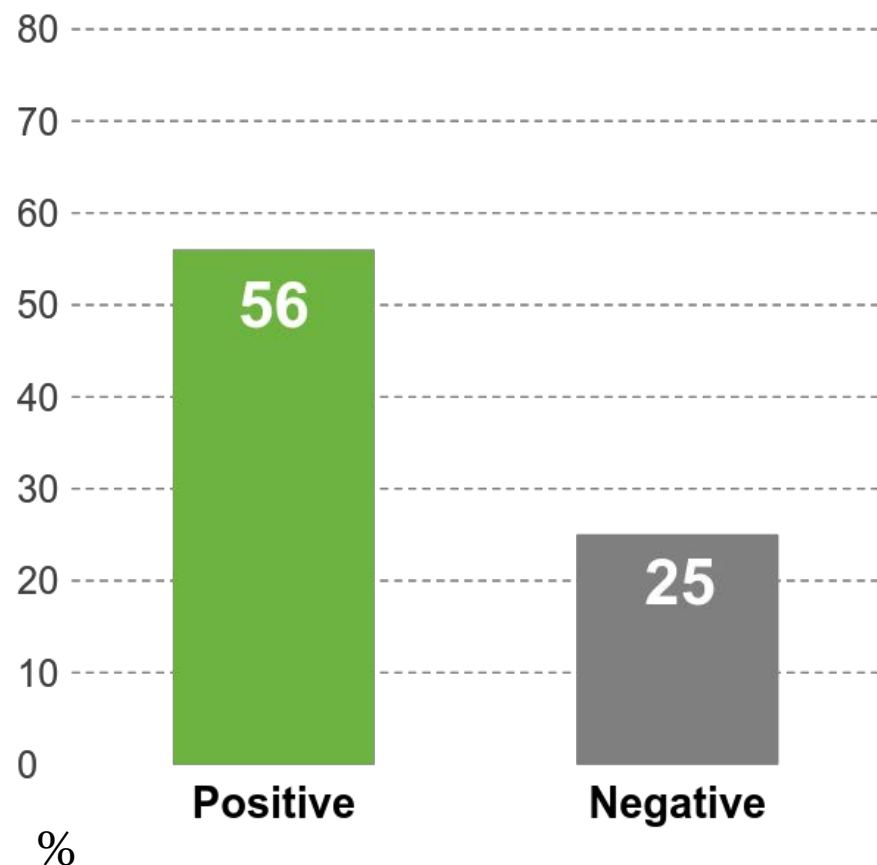
# Example of slogan testing

*For each phrase, I'd like for you to tell me how much more favorable that phrase makes you feel towards the government's energy reforms - does it make you feel much more favorable, somewhat more favorable, just a little more favorable, or no difference?*

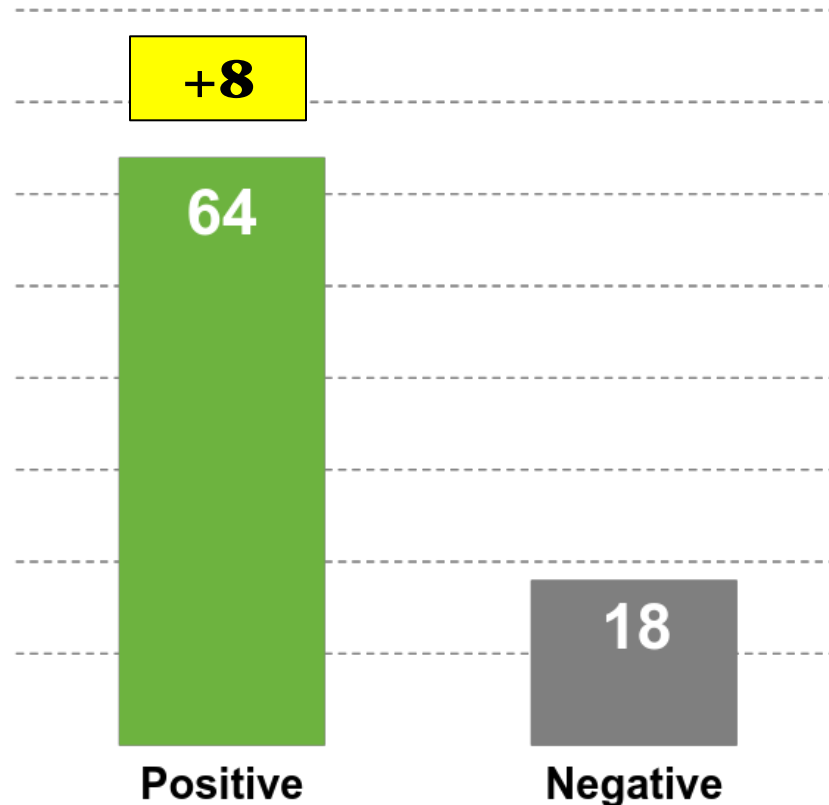


# Messages shift support

***Based on what you know, do you think the government's energy reforms will have a mostly positive or mostly negative impact on average Kosovars?***



***Now let me ask you again. Based on what you know, do you think the government's energy reforms will have a mostly positive or mostly negative impact on average Kosovars?***





# Why do you need a core message?

If you say three things, you don't say anything at all.

Core messages help people make decisions by reminding them of what is important.

# How do core messages help us make decisions?

Southwest Airlines, Core Message: 'We are the low cost airlines.'

Should we...(fill in the blank)?

Answer: Only if it helps us be the low cost airlines.

# What makes a message a S.U.C.C.E.S.(s)

Simple

Unexpected

Concrete

Credible

Emotional Story

# Simple

Do not over complicate the message

Use schemas, metaphors and **analogies** in order to convey essential ideas as simple messages

‘Work is not a wolf’

# Unexpected

- Get people to pay attention to your message
- Once you have their attention, you have to keep it
- Methods
  - Break a pattern
  - Open a knowledge gap
  - Pose a question or puzzle
  - Challenge people or predict an outcome
  - Use a mystery story

# Concrete

A medium bag of popcorn is as bad for you as:



Combined!!

*Isn't this easier to remember than  
"Popcorn has XX grams of saturated fat"?*

- When presented with a difficult concept, people need an example!
- Helps you to connect the audience to your idea, should be clear and memorable

## Электроэнергия

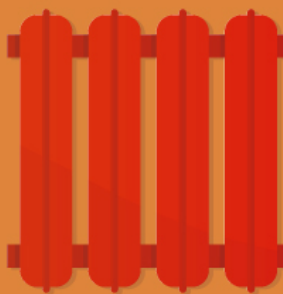


**Себестоимость производства в сравнении  
с Тарифом для населения  
(электроэнергия и теплоснабжение)**

## Себестоимость производства в сравнении с Тарифом для населения (электроэнергия и теплоснабжение)

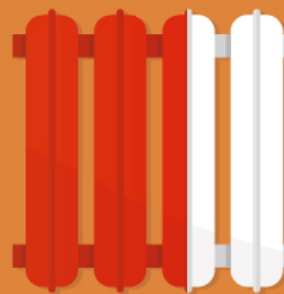
Себестоимость

**1 777,5**  
сом·Гкал



Тариф для населения

**1 134,76**  
сом·Гкал

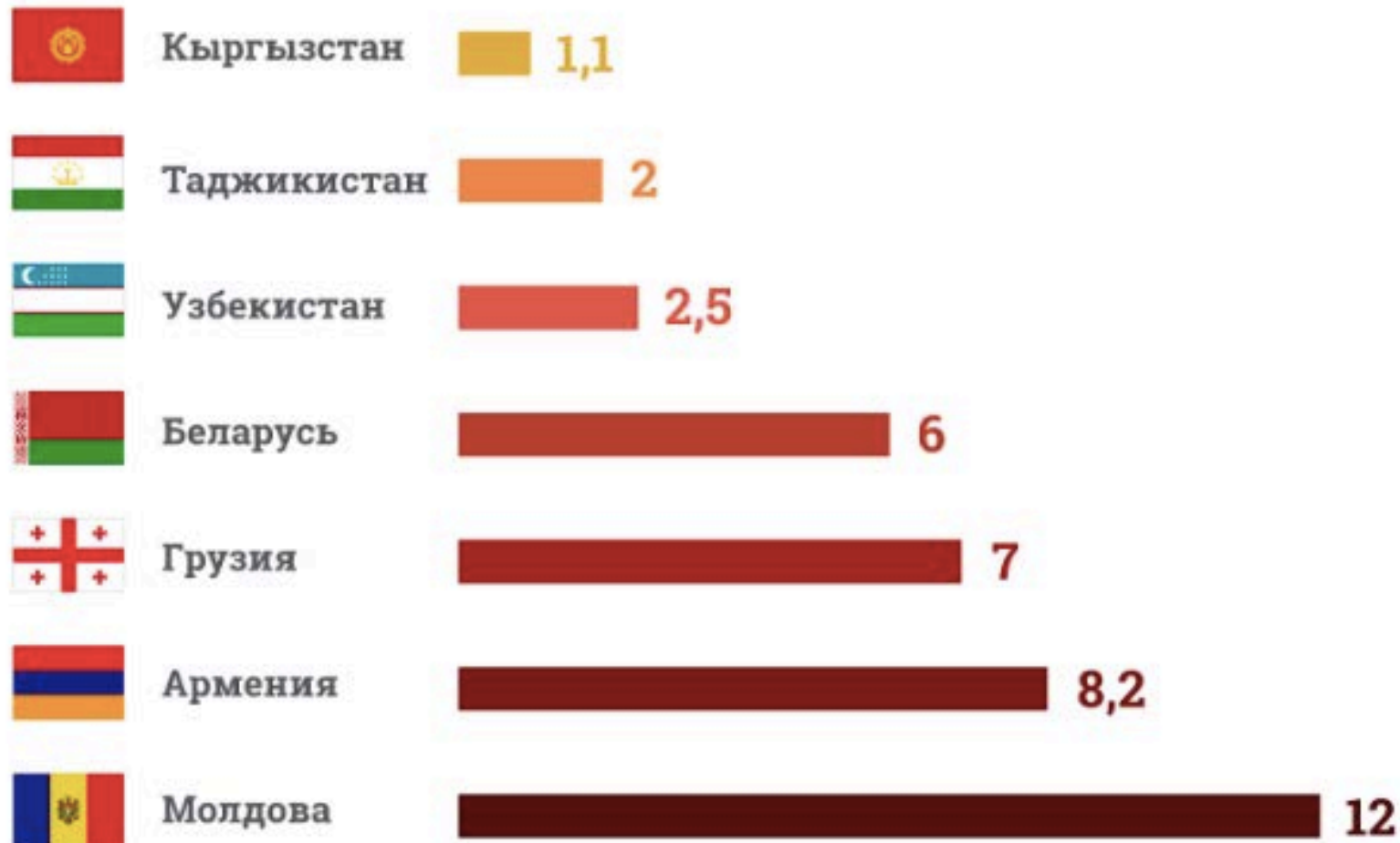


Тепло



# Тарифы для населения по странам

(центы США за 1 кВт•ч)



# Credible

- So far we have gotten people's attention...and made the message memorable...
- Now people have to believe the message!
- If you don't have credibility, borrow someone else's (get a trusted messenger)
- Vox Populi

# Emotional Story

- How many people die a day from tobacco?
- Simple, concrete, gets your attention, emotional...
- Want messages that get a response from the audience and translate into action
- People care about individuals, not general ideas or masses of people

# Story

- If you hear a story, you live it in your mind...helps you to remember it and act on it
- The more hooks your story has, the more likely it is to be remembered

# For a message to be effective...

Must make the audience...

Pay attention (Unexpected)

Understand and remember (Concrete)


Agree, believe (Credible)

Care (Emotion)

Act on it (Story)

# Designing and implementing a strategy:

- Determine objectives
- Map key stakeholders
- Conduct opinion research
- Design compelling messages
- Assign credible messengers and spokespeople
- Identify optimal channels
- Set measurable goals



Who should be the  
messenger?

# What are some of the key elements of a good messenger?

Trusted

Liked

Gets Attention

Speaks Target Audiences Language

Appeals to the Target Audience (their emotions, feelings)

No scandals, please!!



# Communications example: India's "give it up" campaign

The problem: Public opposition to LPG subsidy reforms

## Campaign

- Ask people to voluntarily give up LPG subsidies

## Results

- 10 million LPG connection holders gave up their subsidy by 2016
- Change perceptions about who should receive subsidy



# PM Shri Narendra Modi – Give It Up Movement



# Voluntary fuel switching in Indonesia



Campaign banners from the Ministry of Energy and Natural Resources were posted in all Pertamina's gas stations. The banner reads: "Regular gasoline (Premium–RON 88) is subsidized fuel only for the disadvantaged customers in society."

# Who are the trusted people and institutions?

Kyrgyz regulator explaining the tariff

# Designing and implementing a strategy:

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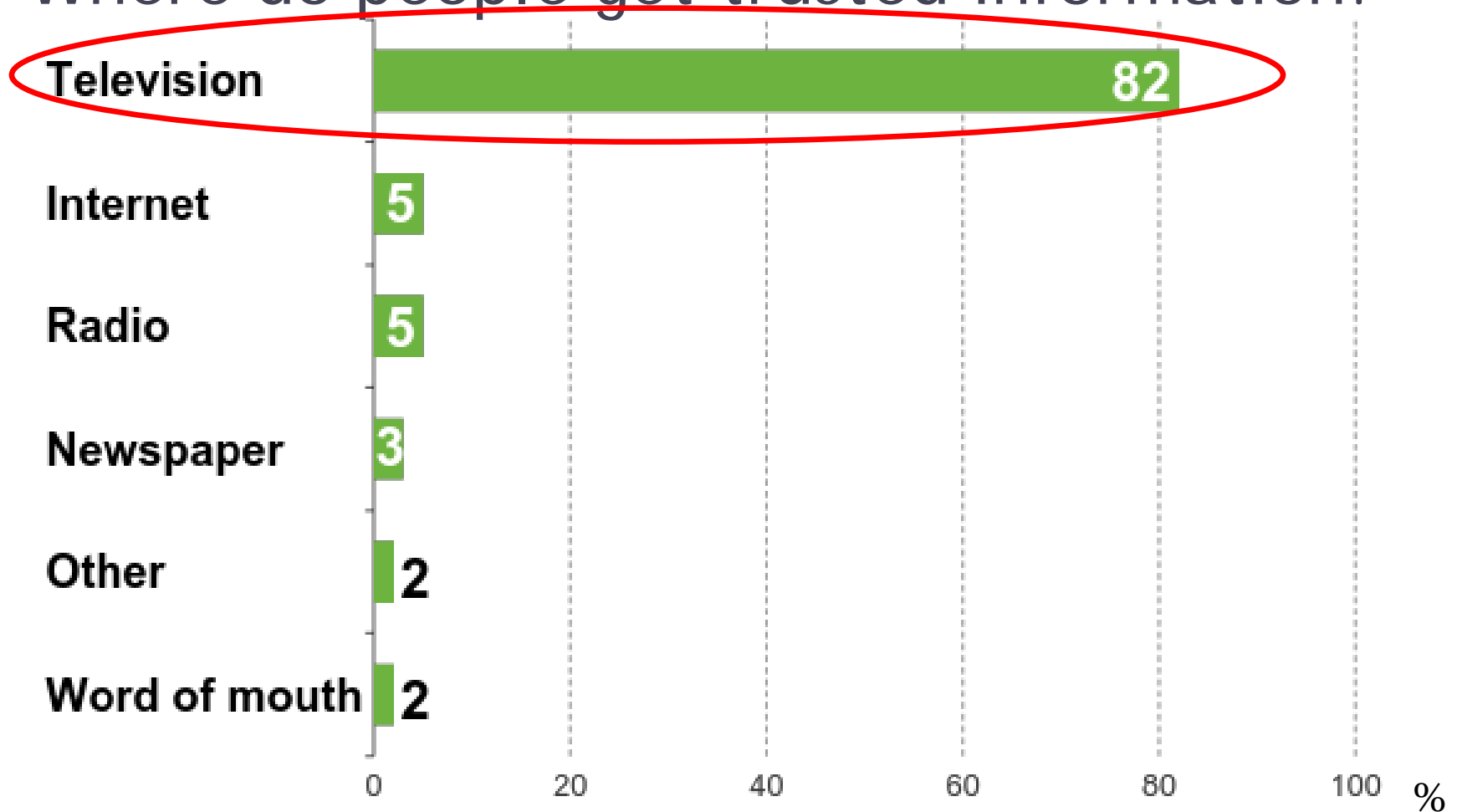
# How Can Social Media and Other Communication Channels be Mobilized?

# How do people get information?

- TV
- Radio
- Text messages
- From their friends and neighbors
- Road shows
- Industry associations
- And increasingly through social media??

What is your **main source** of information for news?

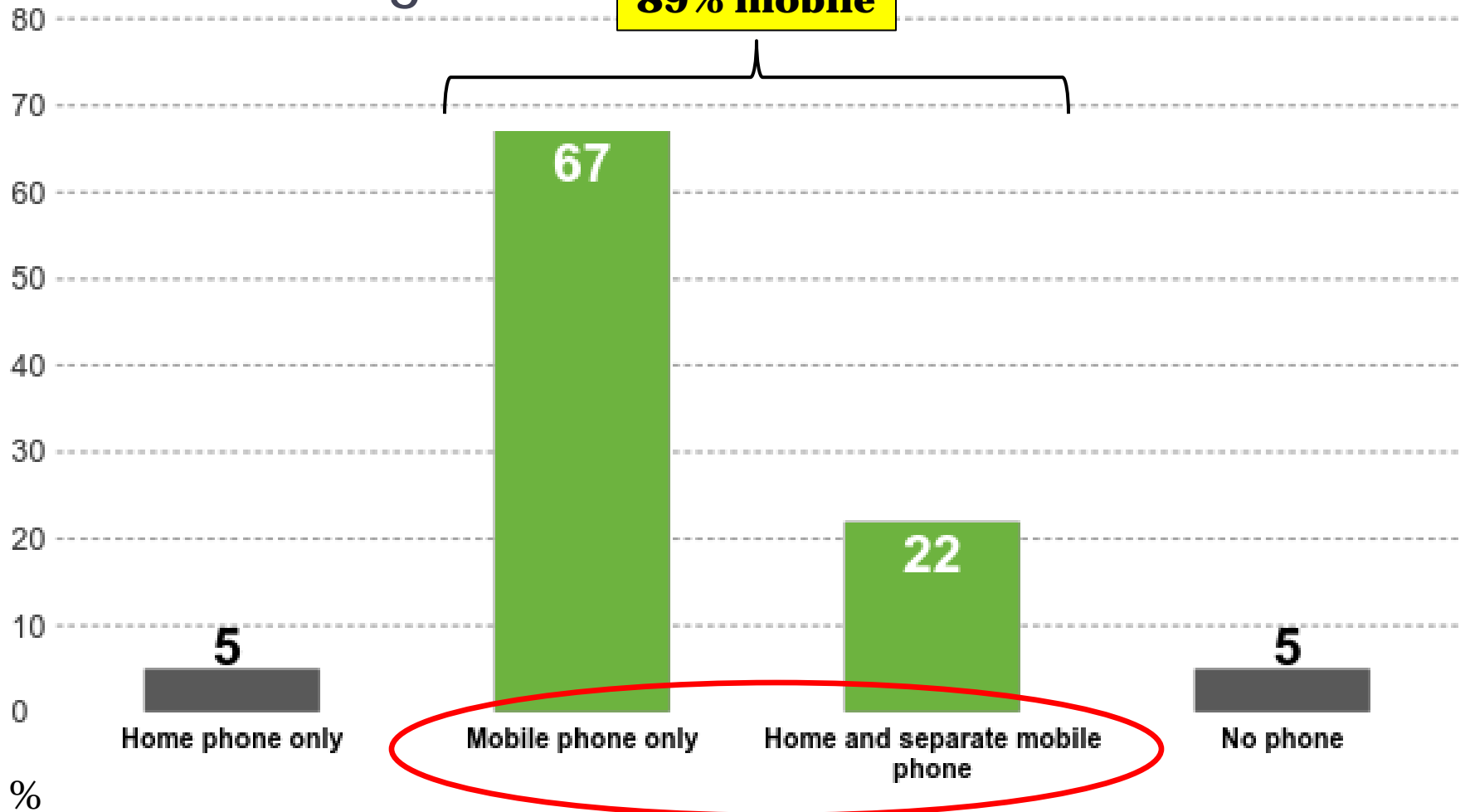
Where do people get trusted information?



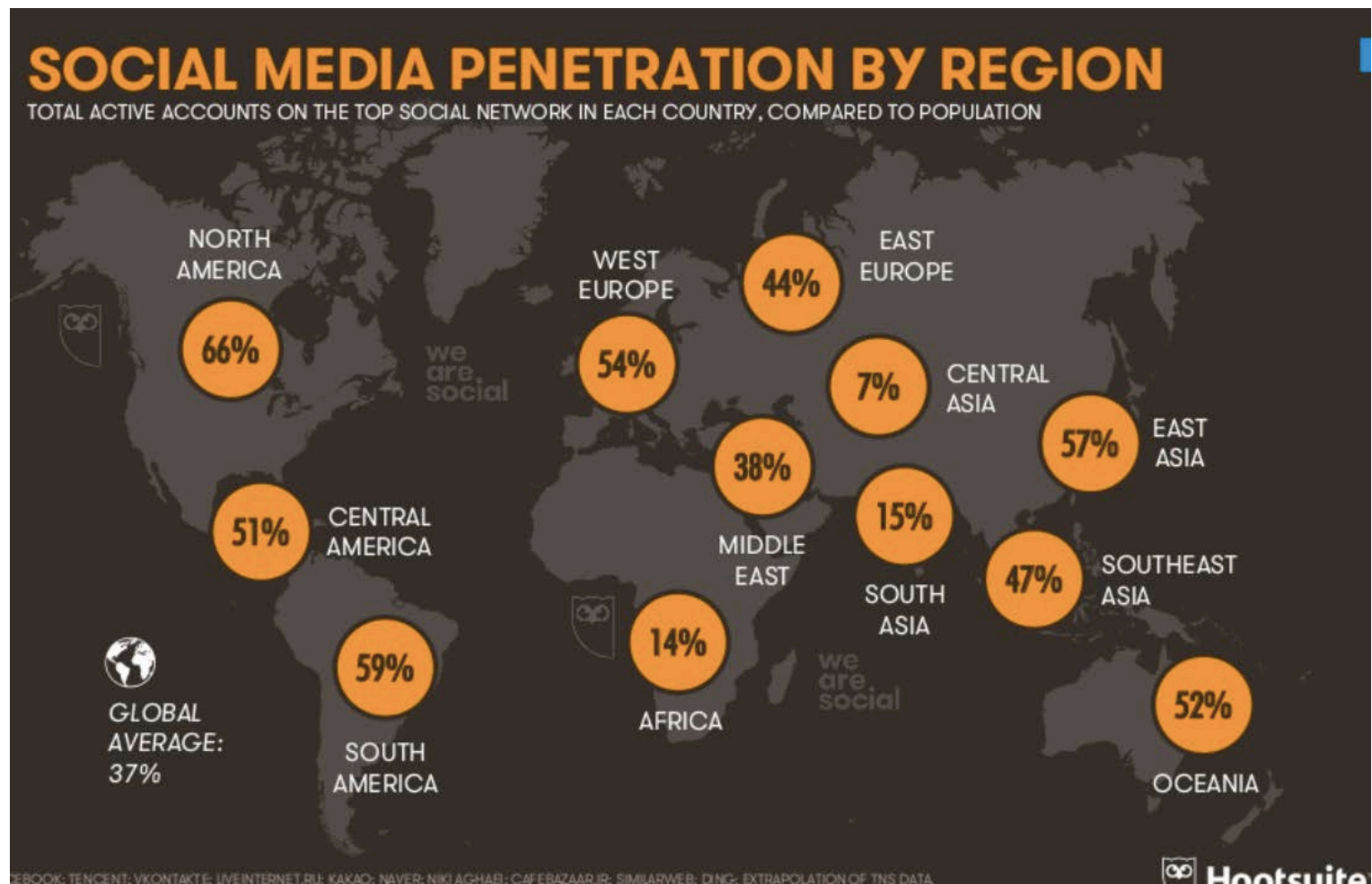


***Do you have a telephone in your home - either a home phone or a mobile phone?***

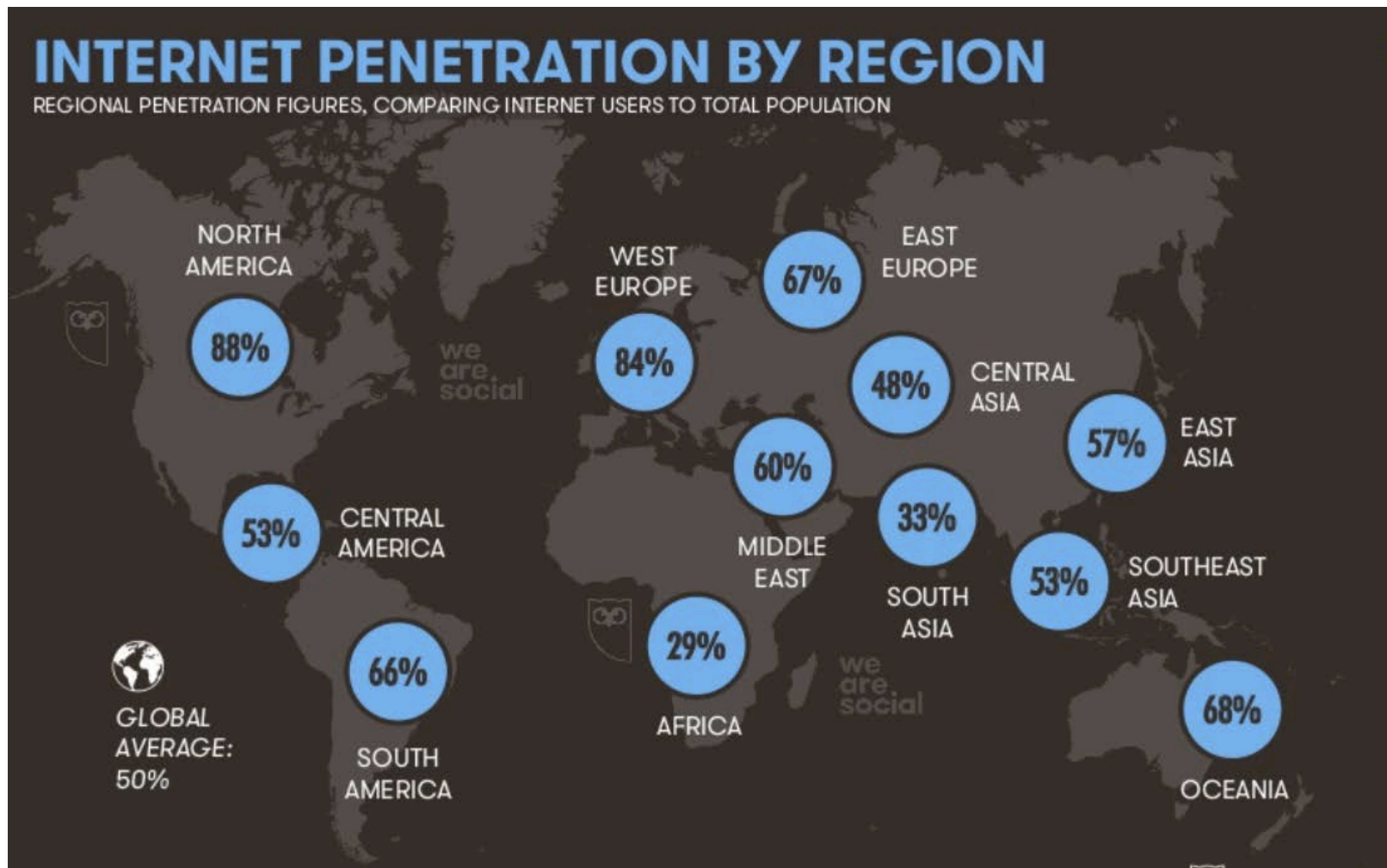
SMS messages will have a wide reach



# How popular is social media in your country?



But that number is expected to grow



# Evaluate impact!

- Determine objectives
- Map key stakeholders
- Conduct opinion research
- Design compelling messages
- Assign credible messengers and spokespeople
- Identify optimal channels
- Evaluate impact!

# Evaluation

*Full evaluations... were either not conducted or at least not available. Instead, campaigns generally relied on informal feedback from stakeholders and readily available internet statistics. An important shortcoming of many campaigns was that original objectives were not well-defined, so it was difficult to define success for the campaigns. In addition, in some cases, resources allocated were relatively small in comparison to the scope of the objectives, and in such cases, identifying a shift in any direction would be difficult.*

Bridle et al. (2013), Communication Best Practices for Renewable Energy

- Rare even in countries with very developed communications...
- ... but can provide vital information, particularly in long-running campaigns.
- Highly dependent on objectives that set out measurable criteria for success.

# In conclusion:

- Determine objectives (What do we want to accomplish, what is our timeline and who will govern the Campaign?)
- Conduct public opinion research (focus groups, surveys)
- Map key stakeholders (What is their level of importance and influence on achieving the objectives?)
- Design compelling messages (What do we want people to know/feel/do?)
- Assign credible messengers and spokespeople (Who is a credible deliverer of our messages?)
- Identify optimal channels (Where do people get trusted information?)
- Evaluate impact!

# Develop a tariff reform campaign

- Determine objectives (What do you want to accomplish?)
- Who is your target audience?
- What is your key campaign message?
- Who will be the messenger?
- How will you get the message out?

# Evaluation

- Essential to understand whether communication actually work
- Rare even in countries with very developed communications...  
... but can provide vital information, particularly in long-running campaigns.
- Highly dependent on objectives that set out measurable criteria for success.
- A review of communications strategies looking at campaigns aiming to promote change in attitudes to RE found:
  - Objectives too poorly defined to measure
  - Not sufficient resources to meet objectives
  - Overtaken by events

Bridle et al. (2013), Communication Best Practices for Renewable Energy



# Thank you

A series of horizontal lines in teal and light blue colors, some solid and some dashed, spanning the width of the slide.

Questions and discussion