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## Why 'Good' Energy Transition Reforms Do Not Succeed

Launched in Thailand in 2019, the People's Solar Power Campaign set an ambitious goal: generating 100 MWh from residential rooftop solar installations in its first year, as part of the country's broader target of 1,000 MWh by 2028. Yet despite strong public interest, with two-thirds of homebuyers expressing interest in the initiative, actual adoption remained extremely limited. Participating households added just 3 MWh in 2019.

Affordability was an issue, but not the only barrier. The role of behavioural factors in shaping adoption decisions also mattered. Many households had a limited understanding of rooftop solar, influencing how they perceived its benefits and risks. As a result, even interested households did not follow through. Adoption was further held back by limited visibility, with many preferring to "wait and see" until solar installations became more common in their communities.

### How behavioural insights improve policy uptake

Thailand's experience highlights that well-designed energy transition policies can still fall short of the goals if they do not duly consider how people make decisions. Insights from behavioral

science, including nudges, help bridge this gap by focusing on cognitive and psychological aspects.

'Default settings' can strongly influence behaviour. People often stick with the easiest or pre-selected option, especially when decisions are complex or unfamiliar. In Switzerland, setting renewable energy as the default option led more than 80% of 200,000 households to remain on green electricity, despite higher costs. The example illustrates how choice architecture can encourage greener decisions without restricting consumer choice.

'Framing' shapes how people perceive costs and responsibilities associated with transition-related policies. In India, surrendering LPG subsidies was presented as an act of national solidarity, prompting around one million households to voluntarily give up the subsidies. Similarly, in Thailand, linking fuel taxes to visible climate impacts such as floods and droughts helped reduce fuel consumption by 5% among personal car drivers.

'Social norms' can be equally powerful. In the Republic of Korea, public buses in Seoul carried the message "Energy we save together, one nuclear power plant

we reduce together” as part of its One Less Nuclear Power Plant initiative. By emphasising collective responsibility, the initiative contributed to a 4% reduction in electricity consumption between 2011 and 2014.

‘Simplification’ can help translate interest into action. Even when households are motivated to act, complex procedures and uncertainty can prevent follow-through. In Uganda, when households received clear, practical guidance on purchasing reliable solar systems and support to set savings goals, they were 31 percentage points more likely to take the first step. In Malaysia, the introduction of a clear, principle-based climate taxonomy



can be integrated progressively within existing government structures.

Figure 1. Number of new government-affiliated BIUs established each year, 2009-2023

**Source:** Data are derived from the OECD Observatory of Public Sector Innovation (OPSI) BIU database and include supplementary government BIUs identified through additional desk research.

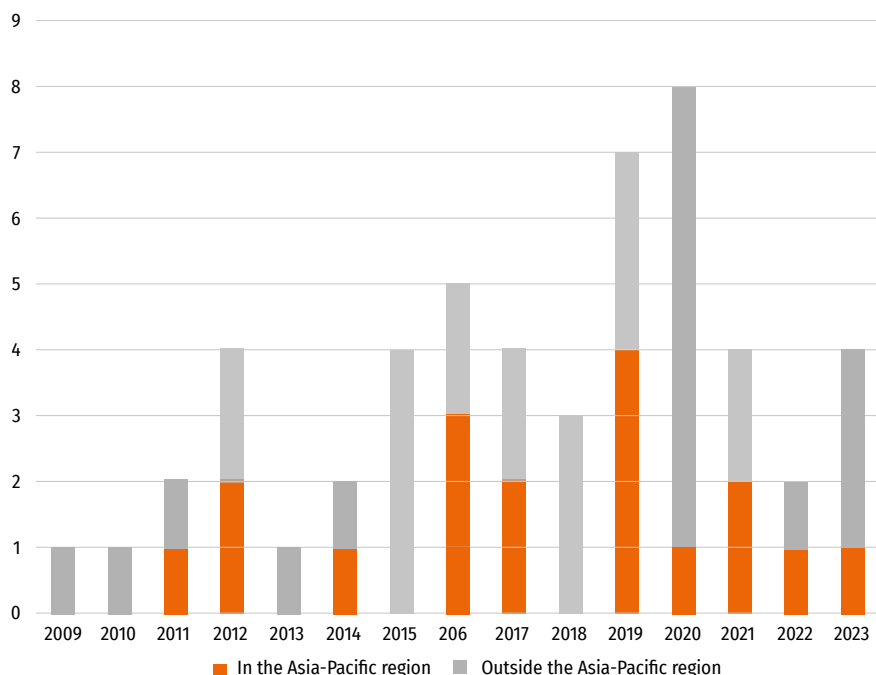
**Note:** Coverage reflects voluntary disclosure and is not exhaustive. Results should be interpreted as indicative.

Governments can start small and build capacity over time. The United Kingdom’s Behavioural Insights Team began as a small unit within the Cabinet Office before expanding globally, while Canada progressively integrated behavioural science functions across government through Impact Canada. Institutionalising behavioural insights allows governments to move beyond one-off experiments towards more systematic policy implementation.

In Asia and the Pacific, however, the institutionalisation of behavioral science remains uneven. Most dedicated units are concentrated in higher-income economies such as Australia, New Zealand, Japan, and Singapore. By contrast, in countries such as China, Indonesia, Thailand, and Viet Nam, the application of behavioural science remains limited to pilot initiatives or research partnerships, rather than being systematically embedded in policymaking processes.

As countries accelerate energy transition reforms, people-centred approaches can help close the gap between policy ambition and real-world adoption. The Economic and Social Survey of Asia and the Pacific 2026 goes beyond identifying which transition policies should be adopted and explores how insights from political economy and behavioural science can be leveraged to support their implementation. Ultimately, successful energy transitions will depend not only on sound economics and strong institutions, but also on policies designed around how people actually make decisions. **EP**

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reduced ambiguity and encouraged more climate-aligned bank lending.

Together, these experiences show that even small adjustments in policy design and communication can significantly influence public uptake of transition-related policies. Recognising this potential, governments are increasingly seeking ways to apply these approaches more systematically.

### Institutionalising behavioural insights

For policymakers, behavioural interventions can deliver significant impact at relatively low cost. One study

in the United States found that sending households simple energy reports comparing their electricity use to that of their neighbours generated energy savings of 27.3 kWh for every dollar spent.

Governments are therefore increasingly formalising the use of behavioural tools. By 2023, more than 50 behavioral insight units were operating worldwide (Figure 1). Dedicated teams can test policy designs, identify decision-making barriers early, and refine reforms before scaling them nationally. Importantly, this does not necessarily require creating entirely new institutions; behavioural approaches