Rebound effects vs. energy and environmental policy

Higher efficiency is the most important tool in managing with less energy and fewer resources, but it may be accompanied by increased demand. Rebound effects threaten to cancel out, at least partly, the progress made by improved efficiency. How can political instruments be designed to ensure either that rebound effects do not arise or at least that they are not increased?

As soon as a product or service with increased energy or resource efficiency is successfully produced, the demand for it usually increases. This is known as the rebound effect. If a state uses various targeted environment policy-related instruments to support increased energy and resource efficiency, this raises the question of how to avoid or restrict the cancelling-out of any progress by higher demand.
In order to avoid or at least limit rebound effects, it is important to know their causes. These can be monetary (higher energy efficiency means lower energy costs), although more efficient products can often be more expensive. Rebound may also arise on psycho-social grounds, because (reduced) environmental impact also has a role in consumer behaviour (the mental rebound effect).
The research project undertakes an empirical analysis of rebound effects and draws conclusions for the design of environmental policy instruments. EBP is part of a consortium together with ISI Fraunhofer (Karlsruhe) and Adelphi (Berlin). EBP deals inter alia with definition and methodological aspects and literature analyses.

Client

German Federal Environment Office; Swiss Federal Office for the Environment

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