ABSTRACT

THE ASSESMENT OF ENERGY AND ENVIRONMENTAL PROBLEMS FROM THE PERSPECTIVE OF BEHAVIOURAL ECONOMICS

Burcu YILMAZ

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Supervisor: Prof. Dr. ETEM KARAKAYA

Various theories are developed to explain the decision-making process which is the main problem of economics. Limiting the behaviours of rational man subject to theories, with strict assumptions means that the decision-making process which is the main problem could not be presented realistically. Relieving of the assumptions in Neoclassical economics through considering the cognitive and perceptive components of the human psych, will increase the explanatory power of this process, by enhancing its realism. Assymetrical information in the sense of energy and environment, and environmental problems are dealt as market failure in the standart economical analysis. However, in these analyses, beside the suggested monetary factors which are solution-oriented, also considering the non-monetary factors directing the human behaviours are vital in terms of energy conservation and energy efficiency, and efficiency and effectiveness of policy outcomes.

Advising efficient and effective policy implications on energy and environmental problems it is possible by considering the cognitive bias and perceptions. In this study, while emphasizing the importance of transition to renewable energy, energy and environmental problems will be presented and the policy implications in the behavioural economics' literature will be explored to find solutions for these problems.

KEYWORDS: Behavioural Economics, Energy, Environment, Policy Implications.