

The Politics and Economics of Environmental Policy*

<i>What:</i>	<i>Internal workshop*</i>
<i>Where:</i>	<i>1047, Eilert Sundts hus, UiO</i>
<i>When:</i>	<i>9:00 - 17:00, September 15th, 2020</i>
<i>Format:</i>	<i>35min for the presentation, 10min for the discussant, 10min for general discussion</i>

Program

(see next page for abstracts, full title, and co-authors)

- 9:00-10:00: **Solar geoengineering** (By: Christian Traeger. Discussant: Steffen Kallbekken)
Coffee
- 10:15 – 11:15: **Constraining or Screening?** (By: Jon Hovi. Discussant: Karine Nyborg)
Leftover Coffee
- 11:30 – 12:30: **The Conservation Multiplier** (By: Bård Harstad. Discussant: Dag Harald Claes)
12:30 – 13:30 Lunch
- 13:30-14:30: **Treating future people impartially** (By: Geir Asheim. Discussant: Håkon Sælen)
Coffee
- 14:45 – 15:45: **Climate Governance Influencers** (By: Elin Boassen. Discussant: Cloe Garnache)
Leftover coffee
- 16:00 – 17:00 **Friend or Foe?** (By: Marina Povitkina. Discussant: Katinka Holtsmark)

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Abstracts

Solar Geoengineering and Strategic Interactions in a Regional Analytic Climate Economy (Meier, Traeger)

The paper analyzes solar geoengineering and strategic interactions in an integrated assessment model (IAM) of climate change. For this purpose, we (i) derive a new class of solutions to analytic IAMs that allows us to (ii) solve an integrated assessment model with sulfur-based geoengineering and damages in closed form, and to (iii) model realistic strategic interactions between two active regions, and a passive rest of the world. We examine the determinants of a region's engagement in geoengineering, and analyse the Markov game and its equilibria. Sulfur deployment is highly sensitive to potential geoengineering damages. For a global social planner, solar geoengineering could cut the Social Cost of Carbon (SCC) into half if damages turn out negligible. However, current damage guesstimates would reduce the globally optimal SCC by only 12- 22%. In the regional model, the availability of geoengineering can both increase or decrease the SCC, in both the active regions and the rest of the world; if damages from geoengineering are small and region's have similar targets, then geoengineering incentivizes regions to emit more ("slippery slope argument"). However, if damages are large and asymmetric or if targets differ sufficiently the availability of geoengineering increases the SCC.

Constraining or Screening? The Relationship between Participation and Compliance in CLRTAP Protocols (Kokkvoll Tveit, Hovi)

Scholars from the enforcement and management schools alike expect a positive country-level association between participation and compliance in international environmental agreements, meaning that participating countries should be more likely to comply with predetermined targets than nonparticipating countries. However, while the management school ascribes this expected association to a constraining effect of the treaty, the enforcement school ascribes it to a screening effect. If the latter conjecture is correct, the association between participation and compliance should largely disappear when controlling for targets' ambition level and other confounding factors. Using a series of OLS and logistic regressions, we test this hypothesis on a new dataset comprising three protocols under the Convention on Long-Range Transboundary Air Pollution (CLRTAP). These three protocols provide a fertile test ground, because they display substantial variation concerning participation and provide emissions reduction targets for all CLRTAP members, including those that did not ratify them. We find a positive effect of participation on compliance, and this effect remains statistically significant even after control for the targets' ambition level and several other confounding factors. Thus, our results suggest that CLRTAP protocols have indeed had a constraining effect on participating countries.

The Conservation Multiplier (Harstad)

Every government that controls an exhaustible resource must decide whether to exploit it or to conserve and thereby let the subsequent government decide whether to exploit or conserve. This paper develops a model of this situation and shows when a small probability that some future government will exploit has a multiplier effect on earlier decisions. The multiplier can be taken advantage of by a lobby paying for exploitation, or by a donor compensating for conservation. The analysis also uncovers when compensations are optimally offered to the president, the party in power, the general public, or to the lobby group.

Treating future people impartially implies avoiding future lives with low well-being (Asheim, Kamaga, Zuber)

It has been claimed that climate policies can be evaluated by the Pareto principle. However, climate policies lead to different identities and different numbers of future people. Even if one assumes that the number of future people is countably infinite independently of policy choice, the problem is that there exists no natural one-to-one correspondence between the components of the compared alternatives. This non-existence means that the components of streams are indexed by natural numbers that do not correspond to particular people, making a case for impartiality in the sense of Strong anonymity. Strong anonymity is incompatible with Strong Pareto. The paper re-examines this incompatibility and investigates how far sensitivity for the well-being at any one component can be extended without contradicting Strong anonymity. We show that Strong anonymity combined with four rather innocent axioms has two consequences: (i) There can be sensitivity for the well-being at a particular component of the stream if and only if a cofinite set of people have well-beings that are more than an ε (> 0) higher, and (ii) adding people to the population cannot have positive social value.

Climate Governance Influencers, Adopters, and Implementers (Boasson, Pulver, Mulugetta, Burns, Jodoin)

A range of actors take part in domestic climate governance, with varying groups playing differing roles across countries, and over time. Since differing research communities pay attention to varying actors, it is easy to miss the big picture. In this article, we perform a broad literature review, aimed at developing a coherent understanding of what we know in terms of comparative patterns. The review article assesses a broad range of literatures, including studies of climate related public policy processes, advocacy networks, corporate social responsibility and corporate obstruction, comparative politics, transnational governance, policy diffusion, policy experiments, and policy entrepreneurship. We zoom on in actors that have been subject to most scientific attention thus far: corporations, environmental organizations, indigenous peoples groups, international organizations and politicians. First, we ask: What do we know about how these actors influence, adopt and/or implement domestic climate governance, and how do their roles vary across countries and regions, and over time? We apply a broad understanding of governance, taking both public as well as private climate governance into account. Second, the assessment speaks to the three climate governance approaches presented in the introduction to the special issue. The Global Commons approach primarily regarding corporate actors as implementers, environmental organizations as influencers, and politicians as adopters, while the Socio-technological Approach opens up for a broader array of actors acting as both influencers and implementers. The Public Support Approach maximises the participation of actors, but also portrays politicians as important in all phases of governance, both as influencers, adopters, and implementers. We ask: do the patterns we have identified with respect to the roles of the varying actor groups fit better with one of the governance approaches? Lastly, we identify weakness in the literature, and come up with suggestions for research strategies that can enhance our understanding of the importance of various actors for climate governance.

Friend or Foe? Empirical Examination of the Relationship Between Different Types of Democracy and Countries' Environmental Commitments (Povitkina, Jagers)

Ever since the recognition of ongoing human-induced large-scale environmental degradation, from the early 1960s and onwards, the scholarly community has glanced at democracy with mixed feelings. Some assert up front that democracy is devastating for countries' environmental performance, some are claiming the opposite, while yet other scholars instead suggest that different forms than the particular liberal democracy is the way ahead towards a sustainable society. Both normative theorists and empirical social scientists fuel to this debate, and both sides are suffering from shortcomings. Normative political theorists lack systematic empirical evidence for most of their assertions for whether democracy per se or different variants of democracy are more or less pro-environmental. In parallel, the empirically oriented scholarship is impaired with poor data typically obstructing them from properly evaluating democracy's actual environmental pros and cons. In this paper, we make use of recently collected and therefore unique data, enabling us to better address both these literatures. Using the data gathered by the Varieties of Democracy project on different conceptions of democracy, we empirically test whether different democratic principles, such as liberal, deliberative, and social-liberal, are beneficial or harmful for countries' commitments to environmental improvements. In particular, we investigate which of these distinct characteristics make democracies more prone to adopt more climate laws, deliver on the adopted climate laws, develop stricter environmental policies, and incorporate sustainability into their economic policies.