

FSR Climate Annual Conference 2021 – 7th edition

Dates: 29 & 30 November on Zoom Webinar

Monday 29 November

14:00-16:00 – Session on Environmental taxation

Presenter: Axel Ockenfels (University of Cologne)

Title: *The best argument for carbon pricing is not economic efficiency, but rather that it fosters cooperation*

Abstract:

Climate change and other threats to modern societies require international cooperation. Utilizing a laboratory experiment and game theoretical analysis, we find that the success of negotiations to promote cooperation strongly depends on the kind of commitment negotiated. In the context of international climate policy, our findings indicate that individual commitments (as negotiated in the Paris Agreement) and complex common commitments (as negotiated in the Kyoto Protocol) tend to have only limited success in promoting cooperation. Shifting the negotiation focus to a uniform common commitment, such as a minimum carbon price, may potentially foster more ambitious cooperation and thus help mitigating climate change.

Co-author: Klaus Schmidt

Webpage and programme [here](#)