UNIVERSITÄT GRAZ
UNIVERSITY OF GRAZ
Department of Economics

Host: Univ.-Prof. Dr. Michael Finus

INVITATION

Prof. Santiago J. Rubio
(University of Valencia)

On the topic:

"International Environmental Agreements and the Deployment of Green Technologies"

This paper studies in the context of a transition to a decarbonized economy whether the deployment of green technologies promotes effectiveness and participation in an international environmental agreement (IEA). The hypothesis we test theoretically stipulates that if a 'minimum participation' is needed to complete the energy transition, a deviation from the agreement that leads to a reversion to polluting technologies with a significant increase in emissions could eliminate the profitability of the deviation and make the agreement stable. Thus, if the minimum participation necessary to complete the transition is not too low, we could have a climate neutral stable agreement with an important participation. With this aim, in the paper a coalition formation game in three stages is solved. In the first stage country decides non-cooperatively on participation in a binding agreement. In the second stage countries choose the level of emissions. The objective of signatories is to maximize the net benefits of the agreement whereas non-signatories only care about the national net benefits. Finaly, both signatories and non-signatories unilaterally and simultaneously the deployment of green technologies. In the second part of the paper, we wonder whether a common tax on emissions could lead to more participation in IEAs than standards in a model where a representative firm chooses quantities, and the government selects the tax on emissions.

Date: March 12, 2024
Starting time: 4.45 p.m.
Location: HS 111.21/Beethovenstraße 8/2

All professors, lecturers, assistants and students are cordially invited to this lecture!