



The Economics of International Climate Agreements

Talk and Discussion with Prof. David M. McEvoy
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Thursday 16.06.2016, 17:30-18:30
Fakultätssitzungssaal SOWI

3. Floor, Universitätsstraße 15
with drinks



Managing climate change is a global collective action problem. While countries are individually better off left unconstrained, collectively they are better off cooperating to reduce greenhouse gas emissions. Climate negotiations, and the agreements they produce, typically involve countries voluntarily agreeing to forfeit some of their sovereignty in order to reach a collective goal.

Effective agreements require countries to resolve two free-riding problems: one of participation - motivating countries to commit to meaningful action - and one of compliance - compelling the members to comply with their commitments. Here we examine the economics of these two fundamental problems and review how institutions can be designed to lead to effective international climate agreements.