

Climate Policy Commitment Devices

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We develop a simple resource extraction game that mimics the essential characteristics of the climate change / fossil fuel resource-planning problem. We implement the game under different conditions in the laboratory. Compared to a ‘liberal’ baseline condition, we find that policy interventions that provide a costly commitment device or reduce threshold uncertainty, reduce resource extractions. We also study two ethics conditions to shed light on the underlying social preferences and the viability of the ecological dictatorship. Our results suggest climate-change policies to focus on investments and instruments that facilitate future reductions.