

Referee Report AEJPol-2020-0092

The article is a lightly revised resubmission of an article I had previously reviewed for the *AER*, in which I saw much to like, but ultimately recommended against publishing. I have read the paper again and thought a lot about whether it is a good fit for *AEJ: Policy*.



On the one hand, the paper documents several important empirical facts regarding preferences toward carbon taxation, among the most important policy issues of our time:

1. A representative sample of French citizens broadly oppose a carbon tax even when the policy is designed to leave them better off. This opposition is associated with support of the anti-establishment Yellow Vest movement.
2. Individuals state beliefs that they will lose from the policy even when the policy is designed to leave them better off.
3. When academics provide information indicating that individuals are very likely to gain from the policy, the vast majority still do not positively update their beliefs about the policy.

I thus find much to like about the paper: it studies political attitudes among a representative sample of individuals in an important setting: France is both at the frontier of carbon taxation *and* populist opposition to it. The paper reveals a clear, robust gap between the ostensible aims of politicians – to enact a fair carbon tax – and the perceptions of many citizens. This gap is fundamental in analyzing the political economy of carbon taxation (and other progressive policies that are opposed by the intended beneficiaries).

Unfortunately, I maintain my concerns raised in my initial *AER* report: nothing in the article is real-stakes – elicitation of beliefs or preferences – and the experiment does not precisely identify any particular mechanism underlying the results.

The authors' findings might reflect:

- 
1. A **political identity** (i.e., a preference term) **that is against taxation**, and thus produces opposition to the carbon tax regardless of new information, perhaps shaping beliefs.
 2. **Distrust** in the hypothetical implementation of the policy, or in academic reports about the policy. It simply may not be credible (to some) that a carbon tax would, *de facto*, be progressive, even if it designed to be, *de jure*. Given opportunities to evade taxes by corporations, that may not be an incorrect belief. Thus, beliefs and preferences may be “sticky” as a result – but this reflects a “meta-belief” that the authors cannot really evaluate.
 3. **Pessimism or risk aversion** regarding one's own circumstances: the authors inform individuals that they are *likely* – not certain – to benefit from the tax.
- 

If the yellow vest supporters believe that they are consistently “losers” from national policy, even the treatment designed to generate support for the policy may lead individuals to believe that they are likely to lose (if they are pessimistic enough).

I feel some ambivalence about the paper. I think a streamlined version of the paper that does not over-claim, and focuses on the three contributions I noted above will be a nice, descriptive contribution to the political economy literature on carbon taxation.

However, because we do not learn anything specific from the paper regarding mechanisms, I end up viewing this paper as below the bar for a top *economics* journal like *AEJ: Policy*. I think this paper would be a better fit for a field journal one tier down or a political science journal.