

# Global Environmental Politics

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March, 2025



## Last class: climate change and governance

- The regime complex for climate change can be inefficient.
- Makes it hard to standardize and generate effective cooperation.
- Competition generates forum shopping and race to the bottom.
- Can generate poorly designed agreements.
- Requires vertical coordination.

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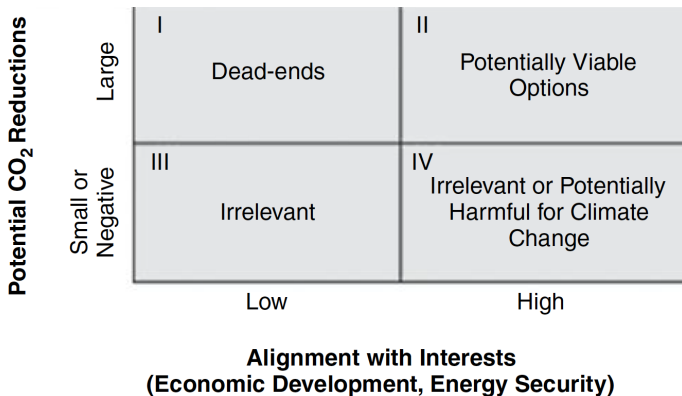
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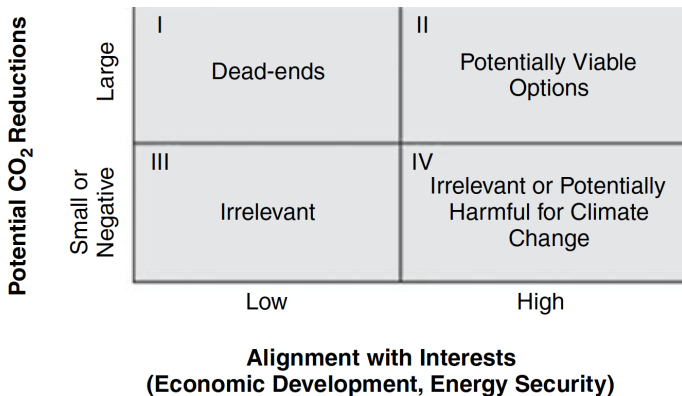
## Potential outcomes of climate change agreements



- (I): No agreement.
- (II): Positive agreements (redistributive and higher well-being).
- (III): Poorly designed agreements.
- (IV): Negative agreements (redistributive and lower well-being).

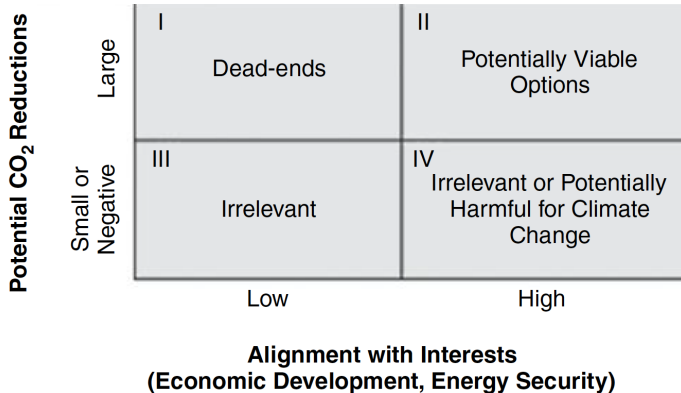


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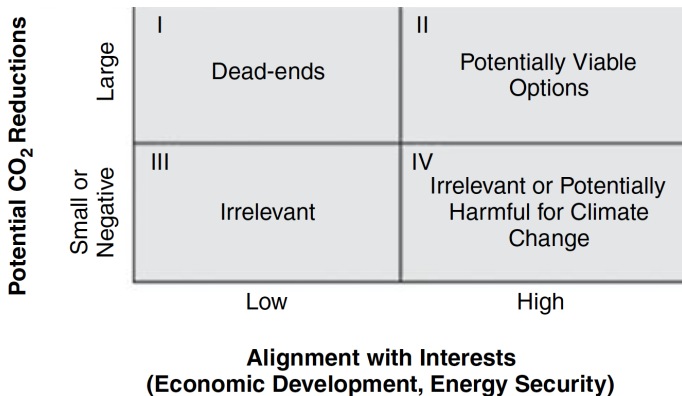
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# Deadlock: redistributive problem with no Nash equilibrium

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		Cooperate	No cooperate
A	Cooperate	2,1	1,1.5
	No cooperate	3,0	0,1

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## ■ Does farsightedness address the issue?

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$$\frac{2}{1 - \delta_A} > 3 \quad \text{and} \quad \frac{1}{1 - \delta_B} > 1.5 + \frac{1}{1 - \delta_B}$$

$$\delta_A > \frac{1}{3} \quad \text{and} \quad 0 > 1.5$$

- As the number of actors  $n$  increases,  $\delta_A$  increases too!
- If  $n - 1$  A players with total weight of 1, and 1 B player but with power  $n - 1$ , what would happen? What if the pay-off of (cooperate, cooperate) is set to 1.5, 1.5?

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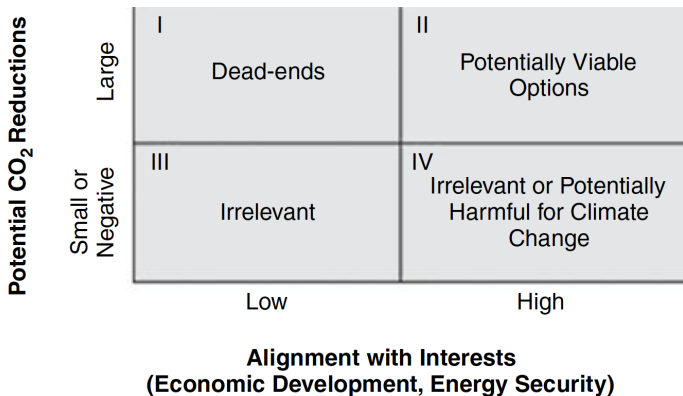
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## (II) Positive agreements



- (IIa) The development model (e.g., IOs).
- (IIb) Politically cheap but limited impact.
- (IIc) Situational constraints; depend on innovation reducing cost.
- (IId) Feasible but v. difficult (high capacity, low corruption).



## (II) Positive agreements

Administrative Feasibility	High	<u>Outsiders Help with Technical &amp; Financial Support</u> Classic Offsets Projects <b>IIa</b>	<u>Co-benefits Situations</u> False Offsets Projects <b>IIb</b>
	Low	<u>Multi-Prong Assistance Projects</u> Requires administrative, financial and technical assistance <b>IIc</b>	<u>Administrative Capacity-building</u> <b>IId</b>
		Low	High
		Practical Ability (Finances, Technology)	

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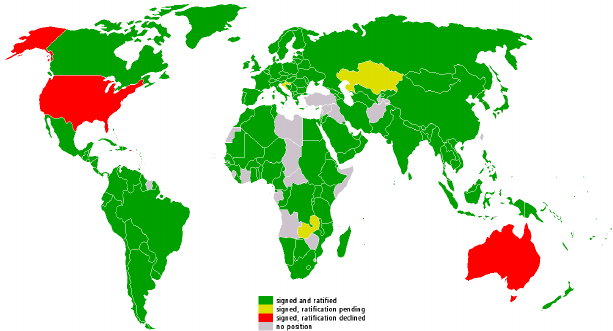
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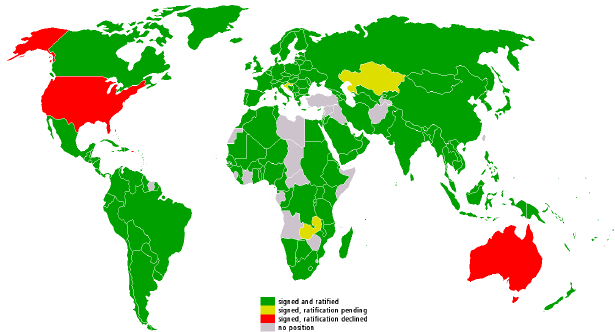
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## Limitations for achieving II: Hegemons and veto players



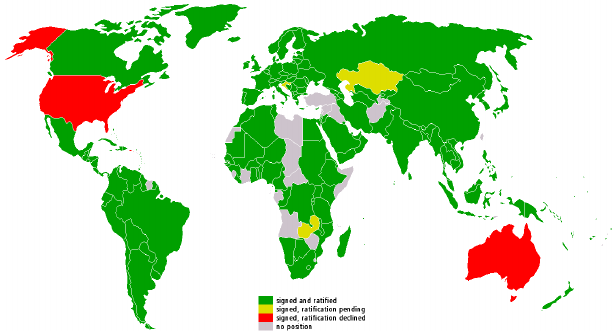
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# Limitations for achieving II: Hegemons and veto players

Table 1 Likely orientations of intergovernmental organization members as a function of power configurations

		Power in the basic game	
		Weak	Strong
Power in the negotiation game	Strong	Prefers strong organization	Prefers moderately strong organization
		Contributes more than expected given its capabilities	Contributes at about the level expected given its capabilities
	Weak	Sees for itself few, if any, benefits from membership	Prefers 1. Organizational reform 2. A weak organization
		Passive member, paying at most a small contribution to organizational activities	Contributes less than expected given its capabilities; may well work through other channels or at least explore alternative arrangements

- Uncertain cost/benefits for hegemons and veto players.
- Trade-off between depth and participation.
- Domestic support is important for generating int' cooperation.

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- Trade-off between depth and participation.
- Domestic support is important for generating int' cooperation.
- Cities, firms, voters, etc. which can also act as veto players.

# The game of international climate agreements

- The players or actors involved.
- The rules of the game, including access procedural rules, and decision rules.
  - Who can do what (i.e., actions).
  - Who knows what about the state of the world and interests (i.e., information).
  - What is the distribution of interests and power.
  - Who moves or decides first, who follows, and so on...
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# Incentive compatible agreements and compliance

- As noted above a distribution of pay-offs can encourage participation (basic game).
- ...then we need to secure compliance (power game).
  - A ruling coalition may be sufficient.
  - ...but needs to be incentive compatible.
  - Too stringent and few will join.
  - Too flexible and few will comply.
- May need participation of compliance of hegemons.
- Climate clubs have proven effective, but represent powerful interests.

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- If IO has enforcement power, it reduce the need of investigative resources.
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