

Institutional Design and Elite Support for Climate Policies

Evidence from Latin American Countries

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- Climate change policies require popular support
- Multi-level governance and incomplete contracts:
 - Flexible provisions
 - Take domestic circumstances into account
 - Voluntary goals (e.g., Nationally Determined Contributions)
- Benefits of civil society engagement:
 - Avoids gridlocks by reducing contracting costs to states (Keohane and Victor 2011)
 - Reduces unnecessary punishment and increase commitment (Mildenberger and Tingley 2017)
 - Local knowledge/effective monitoring (Ostrom 1990, 2004)

- More accountability, but higher transaction costs
- Debates about which type of institution fosters cooperation
- Research on public opinion and support for climate policies (Aklin et al. 2013; Bechtel and Schieve 2013; Bechtel et al. 2017)
- Public is very sensitive to institutional design features
 - Norms of reciprocity
 - Economic costs
 - Agreement enforcement

- Developing countries underrepresented although they account for 63% of global emissions
- Focuses on public at large, not those with high stakes in climate negotiations: *elites*
- Behaviour of local elites – advocacy groups, lobbyists, political coalitions – largely explains countries' climate policy performance (Jahn 2016; Karapin 2012)
- “Societal steering” (Andonova et al. 2009; Bulkeley et al. 2014)
 - Capacity building
 - Information-sharing
 - Rule-setting
- Elites are *de facto* veto players in local environmental policies

- *What climate agreement are Latin American elites willing to support?*
- Most biodiverse region of the world (Benitez and Obersteiner 2006; Yang et al. 2018)
- Central America has four countries in the top ten most affected by extreme weather events (Eckstein et al. 2017)
- State capture by elites (Guasch et al. 2003)

- Conjoint experiment to estimate the effect of institutional features on hypothetical climate agreements
- 654 elites members in Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama, and Peru:
 - 101 members of executive
 - 61 legislators
 - 194 academics in the energy sector
 - 226 members of civil society
- Each respondent evaluated 7 pairs of conjoint experiments

- We vary the agreements across six dimensions:
 - rule-making capabilities (Dubash et al. 2013; Massey et al. 2014)
 - conflict resolution mechanisms (Huntjens et al. 2012; Ostrom 2014)
 - enforcement methods (Barrett 2008)
 - punishment for repeated violators (Ostrom 1990);
 - cost sharing (Bechtel and Scheve 2013)
 - agreement duration (Copelovitch and Putnam 2014; Marcoux 2009).

Attribute	Values
Who makes the rules?	International organizations; federal government; local government; local community members; non-governmental organizations
Conflict resolution mechanism	United Nations; government bureaucracy; local courts; private arbitration; informal norms
Punishment	Imprisonment; fines; blacklist; none
Punishment for repeated violations	More penalty; same; less penalty
Agreement costs	Rich countries pay more than poor countries; proportional to history of emissions; proportional to current emissions; only rich countries pay
Renegotiation	Never; fifty years; twenty years; five years; one year

Figure 1: Attributes and values for climate change mitigation conjoint experiments

Example

Which of these two agreements do you prefer?

<u>Agreement A</u>		<u>Agreement B</u>	
Who makes the rules?	Non-Governmental Organisations	Who makes the rules?	Local government
How are conflicts resolved?	Local courts	How are conflicts resolved?	Local courts
What punishment do they use?	Fines	What punishment do they use?	Blacklist
How are repeated violations punished?	Less penalty	How are repeated violations punished?	Same
How are costs distributed?	Rich countries pay more than poor countries	How are costs distributed?	Rich countries pay more than poor countries
How often will the agreement be renegotiated	Five years	How often will the agreement be renegotiated?	Twenty years

Figure 2: Example of conjoint experiment presented to respondents

Results

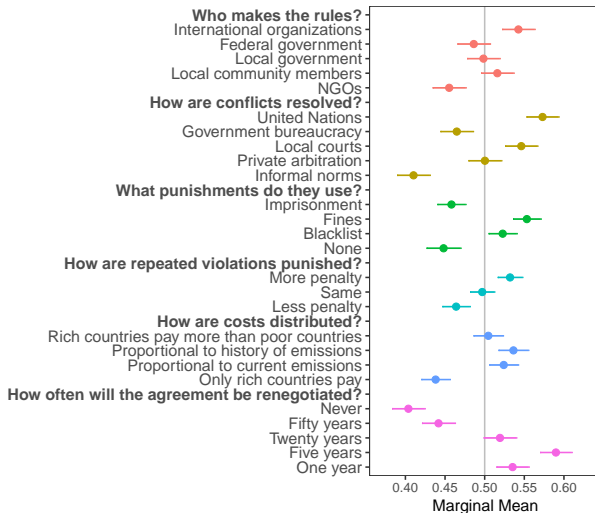


Figure 3: Effect of institutional attributes on the probability of support for climate change agreements in 10 Latin American countries

Who Makes the Rules?



Figure 4: International organizations: 54%; federal government: 49%; local government: 50%; local communities: 52%; NGOs: 45%

- Elites favour international organizations and local governments; distrust NGOs
- Results support long Latin American tradition of reliance on the state

How Are Conflicts Resolved?

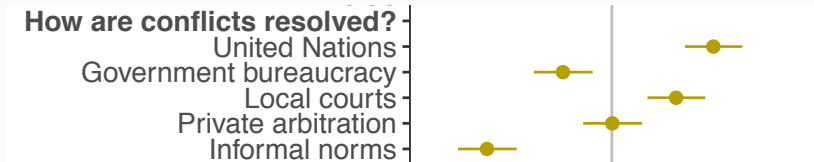


Figure 5: United Nations: 57%; local courts: 54%; arbitration: 50%; government bureaucracy: 46%; informal norms: 41%

- Similar pattern: respondents prefer the UN and local courts
- Informal norms are the least preferred option

What Punishment Do They Use?

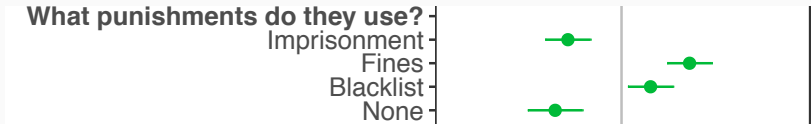


Figure 6: Fines: 55%; blacklist: 52%; imprisonment: 46%; none: 45%

How Are Repeated Violators Punished?

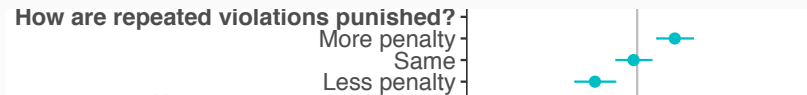


Figure 7: More penalty: 53%; same: 50%; less penalty: 46%

- Graduated sanctions (Ostrom 1990)

How Are Costs Distributed?



Figure 8: History of emissions: 54%; current emissions 52%; rich countries pay more: 50%; only rich countries pay: 46%

- No evidence respondents intend to free ride on climate agreements
- Conducive to long-term cooperation: placing the burden exclusively on rich countries is likely to be off the equilibrium path

How Often Should Agreements Be Renegotiated?

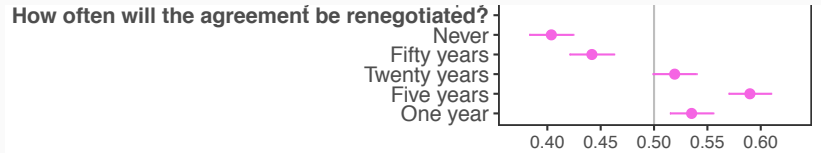


Figure 9: 5 years: 60%; 1 year: 54%; 20 years: 52%; 50 years: 44%; never: 40%

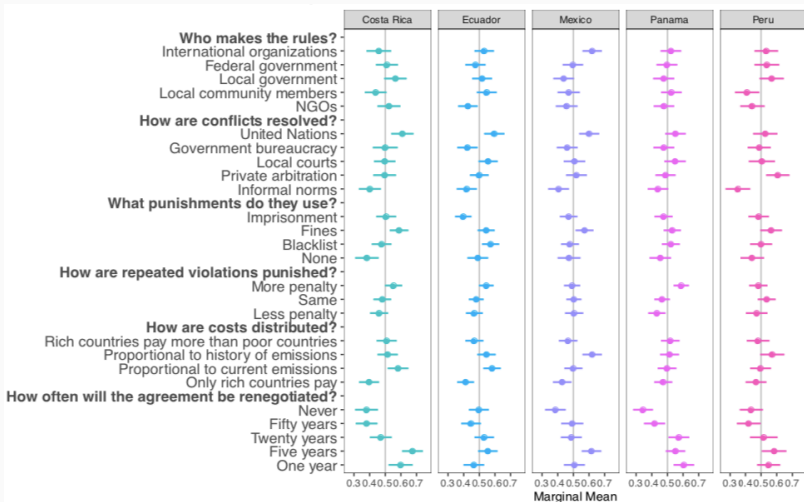
- Balance between stability and flexibility

- Results do not conform to strictly top-down or bottom-up approaches, but to a combination of them.
- While elites favour solutions provided at the macro level, they are open to input from other government actors and local groups

Results by Country



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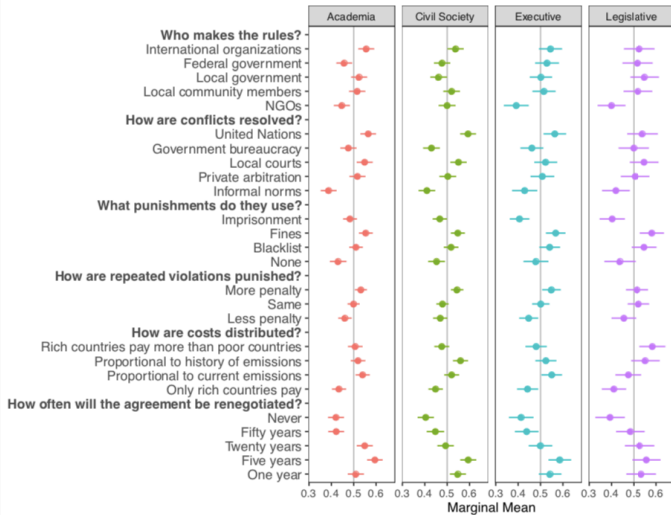


- Generalised preference for international agencies to solve conflicts
- Elites dislike informal norms

However:

- No consensus on who should provide the rules
 - Costa Rica prefer local to global rule-making
 - Argentina, Brazil, Mexico, and Peru prefer global and dislike local
 - In Colombia, elites favour global and local rule-making simultaneously
 - Bolivian elites prefer local communities to design treaties
- *No clear Condorcet winner*

Results by Elite Type



- Similar views about how conflicts should be resolved, what punishment to apply to lawbreakers, and the duration of the agreements
- Academics and members of the civil society sceptical about the role of federal government
- But members of the executive and legislative — part of the government themselves — have a more positive view of national institutions

- Latin American elites prefer
 - International organisations to resolve conflicts
 - Imposing fines and graduated sanctions
 - 5-year agreements
 - Distrust NGOs
- Results do not match the “top-down” vs “bottom-up” dichotomy
- Country-level heterogeneity: resolutions may not have clear majority support
- Provide insights to policy-makers

- Examine if Latin American public shares the same views
- Evaluate elite preferences in other environmental areas, e.g., forest management, renewables, stranded assets
- Compare the results with those from elites in developed countries

Thank You!

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