

Exam key, STV4214B International Environmental Governance. Spring 2022

Under task A, briefly explain FIVE of the seven terms and concepts. Under task B, answer EITHER question 8 OR question 9.

Task A (40%)

1. A bottom-up design of an international climate agreement has (at least some of) the following characteristics:
 - Targets for emissions reductions are determined by each participating country, rather than through international negotiations.
 - Thus, these targets' relationship to scientific recommendations are less clear than they would (ideally) be in a top-down agreement.
 - The basic idea is to enable each party to tailor its commitments to what is feasible at home, depending on domestic needs and constraints.
2. The unilateralist view on climate cooperation argues that support for unilateral climate policy is generally high. In particular, it claims that the need for reciprocity is much less important than argued by collective action theory. Thus, the lack of action is not due to free riding but rather to the strong influence from brown vested interests and lobbying groups.
3. The tragedy of the commons is the title of a classic article in *Science* by Garrett Hardin. Hardin argues that common-pool resources are liable to over-exploitation due to a logic very similar to that found in public good games and the Prisoners' Dilemma. In essence, private incentives lead to overgrazing of the commons, resulting in a tragedy for all (i.e., in a suboptimal state).
4. A norm may be defined as an imperative that is not consequence-oriented. A norm is social if it is shared by several actors and (at least partly) sustained by others' approval and disapproval. Norms differ from conventions, which are rational to follow even if no-one shouts at you if you don't. Nyborg et al. argues that norms can create cooperative equilibria in public good games through social sanctions for free riding.
5. A pure public good is characterized by being non-excludable and non-rival.
6. The "trilemma" of the Paris Agreement refers to the alleged trade-off between participation, ambition, and compliance. According to Scott Barrett, a climate agreement must attract broad participation, high ambition, and (reasonably) high compliance rates to be effective. While it is easy to satisfy one or even two of these conditions, the trick is to satisfy all three.
7. The multilateralist view on climate action originates in collective action theory. It argues that international cooperation should be based in reciprocity in order to create a logic similar to that found in infinitely repeated Prisoners' Dilemma games. Thus, the role of IEAs is to counteract free-riding by restructuring the parties' incentives.

Task B (60%)

8. Define the concepts 'climate clubs' and 'transnational environmental governance'. Then, discuss similarities and differences between climate clubs and transnational environmental governance.

According to Hovi et al. (2019), a climate club refers to any group of countries smaller than the UNFCCC and aiming to cooperate on climate change mitigation. In practice, they assume that climate clubs typically start with a small number of enthusiastic countries, while using incentives to motivate reluctant countries to join in and create a snowball effect. Transnational environmental governance refers to collaboration at the subnational level, that is, cooperation on issues such as climate change between cities, municipalities, firms, NGOs or US states.

CCs and TEG are similar in that they are initiated by enthusiasts, based in a bottom-up architecture, pursue an open-membership policy, and (often) try to use incentives to increase membership. They differ concerning the nature of their members (CCs typically have only countries as members, whereas in TEG at least one party is NOT a country). This difference is important for the size of the parties, for their incentive to free-ride, and for the ability of the parties to create strong incentives for participation and compliance.

9. Explain the (collective) purpose of international environmental agreements, both according to a norm-based perspective and according to an incentive-based perspective. Then, discuss why an incentives-based approach might be more feasible in a climate club than in the UNFCCC.

The incentive-based perspective builds on collective action theory, such as public goods theory, the tragedy of the commons, and the Prisoners' Dilemma. According to this theory, the main challenge for IEAs is to curb free riding by restructuring the parties' incentives (e.g., by introducing enforcement of participation and/or compliance). In contrast, the norm-based perspective considers that IEAs' most important task is to develop norms consistent with environmentally friendly behavior, to shape the parties' identities and preferences, to sustain norms through naming and shaming, and to provide technical and financial assistance to parties with limited capacities.

Incentives are difficult to establish in IEAs because of the consensus rule, which provides the most reluctant countries with a veto. This is a main factor behind the slow progress of cooperation within the UNFCCC, which has near universal participation. Because a CC typically starts with few enthusiastic members, the most reluctant UNFCCC members will be excluded from participating in the construction of the CC's institutional structure. Thus, in a CC, a proposal to introduce strong incentives for participation and/or compliance is less likely to be vetoed.