

Monte Verità – Conference on  
**Sustainable Resource Use and Economic Dynamics**

# **SURED**

June 5 - 9, 2022, Ascona (Switzerland)



## ***Conference Programme***

**ETH**

Eidgenössische Technische Hochschule Zürich  
Swiss Federal Institute of Technology Zurich

**CER-ETH**

Center of Economic Research  
at ETH Zurich



# Welcome

We would like to welcome you to the Monte Verità Conference Centre.

The **SURED** conferences on **Sustainable Resource Use and Economic Dynamics** cover a broad range of aspects regarding the relationship between natural resource use and long-term economic development. This year's conference follows the tradition of the nine successful and inspiring SURED conferences in 2004, 2006, 2008, 2010, 2012, 2014, 2016, 2018 and 2020 seeks to reinforce research efforts aimed at providing adequate solutions for today's challenges in the field of sustainable development.

As during eight of the nine past editions of this conference, we would like to make use of the wonderful surroundings on the "mountain of truth" and the remarkable history of the conference centre, which was shaped by the desire to return to a natural way of life. In this tradition, the conference strives to find ways of living in an economically developed world while at the same time taking into account the natural environment with its restrictions and requirements.

We wish you an interesting and rewarding conference and an enjoyable stay in the South of Switzerland. Vi auguriamo un buon soggiorno!

Lucas Bretschger

Christa Brunnschweiler

Sjak Smulders

Simone Valente



For the generous support of the SURED 2022 conference, we are indebted to the following sponsors:

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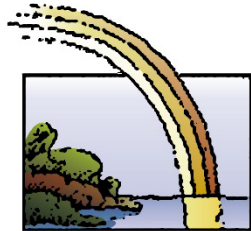
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# Programme Overview

## Sunday June 5, 2022

from 16.00 on	Arrival and Registration
18.00 – 19.00	Welcome Reception
19.30 - 20.30	Dinner

## Monday June 6, 2022

08.00 - 9.00	Breakfast
09.00 - 10.05	<b>Welcome Address</b> <b>Keynote Lecture</b> Katheline Schubert (Paris School of Economics)
10.05 - 10.30	Coffee Break
10.30 - 12.10	<b>Contributed Sessions A</b> A1: Carbon Policy A2: Climate Impact A3: Firms and Markets 1 A4: Inequality
12.10 - 14.00	Lunch
14.00 - 15.40	<b>Contributed Sessions B</b> B1: Political Economy B2: Games B3: Transport B4: ETS
15.40 - 16.10	Coffee Break
16.10 - 17.00	<b>Contributed Sessions C</b> C1: Tipping C2: Firms and Markets 2
17.10 - 18.25	<b>Monte Verità Session</b>
19.30 - 20.30	Dinner

## Tuesday June 7, 2022

08.00 - 9.00	Breakfast
09.00 - 10.00	<b>Keynote Lecture</b> Anastasios Xepapadeas (AUEB Athens and University of Bologna)
10.00 - 10.30	Coffee Break
10.30 - 12.10	<b>Contributed Sessions D</b> D1: Growth D2: Substitution

	D3: Carbon Pricing
	D4: Leakage
<b>12.10 - 13.30</b>	Lunch
<b>13.40 - 19:30</b>	<b>Excursion</b>
<b>20.00 - late</b>	<b>Conference Dinner</b>

## ***Wednesday June 8, 2022***

<b>08.00 - 9.00</b>	Breakfast
<b>09.00 - 10.00</b>	<b>Keynote Lecture</b> Pietro Peretto (Duke University)
<b>10.00 - 10.30</b>	Coffee Break
<b>10.30 - 12.10</b>	<b>Contributed Sessions E</b> E1: Planetary Boundaries E2: Intergenerational Sustainability E3: Taxation
<b>12.10 - 14.00</b>	Lunch
<b>14.00 - 15.40</b>	<b>Contributed Sessions F</b> F1: Risk 1 F2: Public Policy F3: Innovation and Policy
<b>15.40 - 16.10</b>	Coffee Break
<b>16.10 - 17.00</b>	<b>Contributed Sessions G</b> G1: Risk 2 G2: Performance and Border Carbon Adjustments
<b>17.10 - 18.25</b>	<b>SURED Session</b>
<b>19.30 - 20.30</b>	Dinner

## ***Thursday June 9, 2022***

<b>08.00 - 9.00</b>	Breakfast
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# Detailed Programme

## Sunday June 5, 2022

from 16.00	Arrival and Registration	
18.00 - 19.00	Welcome Reception	
19.30 - 20.30	Dinner	Ristorante

## Monday June 6, 2022

8.00 - 9.00	Breakfast	Ristorante
9.00 - 10.05	<b>Welcome Address</b>	Auditorium
	<b>Keynote Lecture</b>	
	<i>Chair: Christa Brunnschweiler</i>	
	KATHELINE SCHUBERT, Paris School of Economics: <i>Confronting the Carbon Pricing Gap: Second Best Climate Policy</i>	
10.05 - 10.30	Coffee Break	
10.30 - 12.10	<b>Contributed Sessions A</b>	
	<b>A1 Carbon Policy</b>	Auditorium
	<i>Chair: Christian Traeger</i>	
	AUDE POMMERET, USMB; Christian Gollier; Frédéric Cherbonnier: <i>Stress Discounting</i>	
	HUBERT MASSONI, University of Bologna; Emanuele Campiglio, Stefan Trsek: <i>The Network Effects of Carbon Pricing</i>	
	FRIKK NESJE, University of Copenhagen; Moritz Drupp; Robert Schmidt: <i>Pricing Carbon</i>	
	CHRISTIAN TRAEGER, University of Oslo: <i>IAMs and CO2 Emissions – An Analytical Discussion</i>	
	<b>A2 Climate Impact</b>	Sala Balint
	<i>Chair: Simon Dietz</i>	
	HAIBO ZHANG, University of East Anglia; Corrado Di Maria; Bahar Ghezelayagh; Yuli Shan: <i>Evaluating Climate Policies in Emerging Economies: Evidence from the China's Low-Carbon City Pilot</i>	
	MANUEL LINSENMEIER, London School of Economics and Political Science: <i>Seasonal Temperature Variability and Economic Cycles</i>	

SIMON DIETZ, London School of Economics and Political Science; Felix Koninx: *Economic Impacts of Melting of the Antarctic Ice Sheet*

### **A3 Firms and Markets 1**

Sala Eranos

*Chair: Veronica Stolbova*

NIKO JAAKKOLA, University of Bologna; Angelika Vogt; Achim Hagen: *Endogenous Climate Policy, Systemic Risk and Asset Stranding*

STEFANO CARATTINI, Georgia State University; Tobias Kruse; Antoine Dechezleprêtre; Pier Basaglia: *Climate Policy Uncertainty and Firms' and Investors' Behavior*

MENGLU NEUPERT-ZHUANG, Frankfurt School of Finance and Management; Oliver Schenker: *Intentionally Holding Potential Stranded Assets in the Portfolio - Policy Uncertainty and Investments in the Power Market*

VERONICA STOLBOVA, ETH Zurich: *How much is too much?: Monitoring Financial Stability under Climate Risk*

### **A4 Inequality**

Sala Pioda

*Chair: Doina Radulescu*

FRANCESCA DILUISO, MCC Berlin; Ulrich Eydam: *How to Redistribute the Revenues from Climate Policy? A Dynamic Perspective with Heterogeneous Households*

ALKIS BLANZ, MCC Berlin; Matthias Kalkuhl: *Climate Change and Long-run Inequality: The Case of Food Prices in the Developing World*

THOMAS DOUENNE, University of Amsterdam; Albert Jan Hummel; Marcelo Pedroni: *Optimal Fiscal Policy in a Second-best Climate Economy Model with Heterogeneous Agents*

DOINA RADULESCU, University of Bern; Patrick Bigler: *Environmental, Redistributive and Revenue Effects of Policies Promoting Fuel Efficient and Electric Vehicles*

12.10 - 14.00 Lunch

Ristorante



14.00 - 15.40

**Contributed Sessions B**

**B1 Political Economy**

Auditorium

*Chair: Alexandra Brausmann*

ARROUNA KEITA, University of Orléans; Camelia Turcu: *Natural Resource Discoveries and Fiscal Discipline*

SARAH SPYCHER, University of Bern: *Elections and Environmental Agreements*

HIROAKI SAKAMOTO, Kobe University; Christian Traeger: *Self-enforcing Stable Sets*

ALEXANDRA BRAUSMANN, University of Vienna; Elise Grieg: *Resource Discoveries and the Political Survival of Dictators*

**B2 Games**

Sala Balint

*Chair: Cees Withagen*

FLORIAN WAGENER, University of Amsterdam; Niko Jaakkola: *Differential Games of Public Investment: Markovian Best Responses in the General Case*

LINDA NOSTBAKKEN, Statistics Norway; Florian Diekert; Andries Richter; Yuanhao (Jack) Li: *Non-Compliance Behavior and Use of Extraction Rights for Natural Resources*

ROBERT SCHMIDT, University of Hagen; Leanne Streekstra: *Climate Coalition Formation in Continuous Time*

CEES WITHAGEN, Vrije Universiteit Amsterdam; Hassan Benchekroun; Gerard van der Meijden: *An Oligopoly-Fringe Model with HARA Preferences*

**B3 Transport**

Sala Eranos

*Chair: Beat Hintermann*

WALDEMAR MARZ, ifo/LMU Munich; Julius Berger: *Fuel Economy Standards and Public Transport*

LAVAN TEJA BURRA, Leibniz Institute for Economic Research; Colin Vance; Stephan Sommer: *Policy Complementarities in the Promotion of Electric Vehicles: Subsidies and Charging Infrastructure*

HERMAN VOLLEBERGH, Tilburg University; Rik Rozendaal: *Policy-induced Innovation in Clean Technologies: Evidence from the Car Market*

BEAT HINTERMANN, University of Basel; et al.: *Pigovian Transport Pricing in Practice*

**B4 Empirical/ETS**

*Chair: Grisha Perino*

CORRADO DI MARIA, University of East Anglia; Beat Hintermann; Maja Zarkovic; Leo Picard: *Carbon Abatement Costs in German Manufacturing*

LEON BREMER, Vrije Universiteit Amsterdam; Konstantin Sommer: *The EU ETS's Time-varying Impact on Competitiveness and Investments: Evidence from Dutch Manufacturing*

GRISHA PERINO, University of Hamburg: *Sentiments and (In-)Stability in Cap-and-Trade Schemes*

Sala Pioda

15.40 - 16.10 Coffee Break

16.10 - 17.00 **Contributed Sessions C**

**C1 Tipping Points**

*Chair: Florian Diekert*

MATTHIAS LEUTHARD, ETH Zurich; Lucas Bretschger; Evgenij Komarov: *Tipping Points and Carbon Traps in an OLG model with Climate-induced Depreciation*

FLORIAN DIEKERT, Heidelberg University; Frikk Nesje; Soheil Shayegh; Daniel Heyen: *Early Warnings about Tipping Points improve Management but may encourage Risk Taking*

Auditorium

**C2 Firms and Markets 2**

*Chair: Melissa Newham*

RIK ROZENDAAL, Tilburg University; Malik Curuk: *Labor Share, Industry Concentration and Energy Prices: Evidence from Europe*

VANESSA DA CRUZ, ETH Zurich; Melissa Newham: *The Impact of Mergers on Green Innovation*

Sala Balint

17.10 - 18.25 **Monte Verità Session** Auditorium  
*Chair: Larry Karp*  
Robert Hart, Swedish University of Agricultural Sciences: *Work, Status, Environment*

Ara Jo, ETH Zurich; Lucas Bretschger: *Complementarity between Labor and Energy: A Firm-level Analysis*

Larry Karp, University of California, Berkeley: *Ranking Suboptimal Climate Policies: Carbon Markets and Policy Stringency*

19.30 - 20.30 Dinner Ristorante

## **Tuesday June 7, 2022**

8.00 - 9.00 Breakfast Ristorante

9.00 - 10.00 **Keynote Lecture** Auditorium  
*Chair: Simone Valente*  
ANASTASIOS XEPAPADEAS, University of Bologna: *Emerging Infectious Diseases and the Economy: Climate Change, Natural World Preservation, and Containment Policies*

10.00 - 10.30 Coffee Break

10.30 - 12.10 **Contributed Sessions D** Auditorium  
**D1 Growth**  
*Chair: Geir Asheim*  
DANIEL HAERLE, Vrije Universiteit Amsterdam; Gerard van der Meijden: *Factor-Eliminating Technical Change in a Resource Economy*

EVGENIJ KOMAROV, ETH Zurich: *Capital Flows and Endogenous Growth*

MADS GREAKER, Oslo Metropolitan University; Knut Einar Rosendahl; Tom-Reiel Heggedal: *Directed Technical Change and the Resource Curse*

GEIR ASHEIM, University of Oslo; John Hartwick; Rintaro Yamaguchi: *Sustainable per Capita Consumption under Population Growth*

## **D2 Substitution**

Sala Balint

*Chair: Suphi Sen*

ANTHONY WISKICH, Australian National University:  
*Substitutability between Clean and Dirty Electricity Generation  
under a Clean Transition*

ALENA MIFTAKHOVA, ETH Zurich; Ara Jo: *How Constant is  
Constant Elasticity of Substitution? Endogenous Substitution  
between Clean and Dirty Energy*

NANDEETA NEERUNJUN DEMAIZIERE, Aix-Marseille School of  
Economics: *Emissions Pricing Instruments with Intermittent  
Renewables: Second-best Policy?*

SUPHI SEN, Wageningen University; Xueqin Zhu; Hermen  
Luchtenbelt: *Depending on Nature: Substitutability of Ecosystem  
Services in Agricultural Production*

## **D3 Carbon Pricing**

Sala Eranos

*Chair: Frank Venmans*

R.J.R.K. HEIJMANS, Swedish University of Agricultural Sciences:  
*Time Horizons and Emissions Trading*

TERRENCE IVERSON, Colorado State University: *Advancing  
Global Carbon Abatement with a Two-Tier Climate Club*

FELIX MEIER, Kiel Institute for the World Economy: *Carbon  
Dioxide Removal in a Global Analytic Climate Economy*

FRANK VENMANS, London School of Economics and Political  
Science; Ben Groom: *The Social Value of Offsets*

## **D4 Public Policy**

Sala Pioda

*Chair: Daniel Heyen*

MARK SCHOPF, University Hagen; Thomas Eichner: *Self-  
enforcing Climate Agreements: Kyoto versus Paris*

AURELIEN SAUSSAY, London School of  
Economics and Political Science; Xavier Ragot, Florian Oswald,  
Francois Le Grand: *Fiscal Policy for Climate Change*

FRANCESCO RICCI, University of Montpellier (CEE-M); Aude  
Pommeret; Dorothee Charlier: *A Rationale for the Right-to-  
Develop Climate Policy Stance*

DANIEL HEYEN, University of Kaiserslautern; Alessandro Tavoni:  
*On the Private Provision of Public Goods*

12.10 - 13.30	Lunch	Ristorante
13.40 - 19.30	<b>Excursion</b>	
20.00 - late	<b>Conference Dinner</b>	Ristorante

## **Wednesday June 8, 2022**

8.00 - 9.00	Breakfast	Ristorante
9.00 - 10.00	<b>Keynote Lecture</b> <i>Chair: Sjak Smulders</i> Pietro Peretto, Duke University: Sustainable Growth and Secular Trends	Auditorium
10.00 - 10.30	Coffee Break	
10.30 - 12.10	<b>Contributed Sessions E</b> <b>E1 Planetary Boundaries</b> <i>Chair: Hanna Schenk</i> MICHAEL SURETH, MCC (Berlin); Ottmar Edenhofer; Matthias Kalkuhl; Johan Rockström: <i>A Welfare Economic Approach to Planetary Boundaries</i>  GILBERT KOLLENBACH, University of Hagen; Thomas Eichner; Mark Schopf: <i>Demand- versus Supply-Side Climate Policies with a Carbon Dioxide Ceiling</i>  SIMON LUECHINGER, University of Luzern; Benjamin Krebs: <i>Air Pollution, Cognitive Performance, and the Role of Task Proficiency</i>  HANNA SCHENK, German Centre for Integrative Biodiversity Research; Martin Quaas; Fabian Zimmermann: <i>The Economics of Evolutionary Overexploitation</i>	Auditorium
	<b>E2 Intergenerational Sustainability</b> <i>Chair: Carolyn Fischer</i> MARTIN HÄNSEL, Potsdam Institute for Climate Impact Research; Matthias Kalkuhl; Ottmar Edenhofer; Max Franks: <i>Optimal Taxation and Redistribution in the Face of Effective Climate Policy</i>  STEPHIE FRIED, Federal Reserve Bank of San Francisco; Kevin Novan; William Peterman: <i>Understanding the Inequality and Welfare Impacts of Carbon Tax Policies</i>  CAMILLE HAINNAUX, Aix-Marseille University; Thomas Seegmuller: <i>Pollution versus Inequality: Tradeoffs for Fiscal Policy</i>	Sala Balint

CAROLYN FISCHER, World Bank; Christoph Böhringer; Nic Rivers:  
*Rebating Emissions Pricing Revenues with Heterogeneous Firms*

### **E3 Taxation**

Sala Eranos

*Chair: Arnaud Goussebaile*

CAN MAVI, INRAE; Benteng Zou: *Pandemic Impacts on Intergenerational Equity and Hartwick's Rule*

JACK PEZZEY, Australian National University: *Adjusted Net Savings needs Adjusting: Reassessing Human and Resource Factors in Sustainability*

ARNAUD GOUSSEBAILE, ETH Zurich: *Overlapping Generations, Climate Change and Democratic Policies*

12.10 - 14.00

Lunch

Ristorante

14.00 - 15.40 **Contributed Sessions F**

### **F1 Risk 1**

Auditorium

*Chair: Sven Jensen*

JOELLE NOAILLY, Geneva Graduate Institute; Laura Nowzohour; Matthias van den Heuvel: *Does Environmental Policy Uncertainty hinder Investments towards a Low-Carbon Economy?*

ALEKSEI MINABUTDINOV, ETH Zurich; Lucas Bretschger; Clément Renoir; Alexandra Brausmann: *Misfortunes never come singly: Environmental Risks, Pandemics Diseases, and Economic Growth*

STEFAN BAUMGAERTNER, University of Freiburg; Christian Mittelstaedt: *Welfare Measurement under Knightian Uncertainty*

SVENN JENSEN, Oslo Metropolitan University; Christian Traeger: *Pricing an Unknown Climate*

### **F2 Leakage**

Sala Balint

*Chair: Simone Borghesi*

CARSTEN HELM, University of Oldenburg; Christoph Böhringer: *Sector Coupling and Negative Leakage – Unilateral Climate Policies in the Presence of an ETS?*

ANTONIA KURZ, Vrije Universiteit Amsterdam: *Within-Country Leakage due to the Exemption of Small-Source Emitters from Emissions Pricing*

SIMONE BORGHESI, European University Institute; Angelo Antoci; Paolo Russu: *Carbon Leakage In 3D: On the Dynamics of Green, Dirty and Relocating Firms under the ETS*

### **F3 Innovation and Policy**

*Chair: Erik Hille*

ALESSANDRO SPIGANTI, Ca' Foscari University of Venice; Emanuele Campiglio; Anthony Wiskich: *Green Innovation and Financing Constraints*

MAURICIO RODRIGUEZ, Universidad del Rosario; Oscar Avila-Montealegre: *Foreign Climate Policy and Domestic Industry Adjustment in a Small Open Economy*

ERIK HILLE, HHL Leipzig Graduate School of Management; Thomas Oelker: *International Expansion of Renewable Energy Capacities: The Role of Innovation and Choice of Policy Instruments*

Sala Eranos

15.40 - 16.10 Coffee Break

16.10 - 17.00 **Contributed Sessions G**

#### **G1 Risk 2**

*Chair: Emanuele Campiglio*

SOPHIE ZHOU, Deutsche Bundesbank; Rick van der Ploeg: *The Risk-Adjusted Discount Rate and Social Cost of Carbon During the Green Transition: Effects of Shocks to Carbon-Intensive and Green Sectors*

EMANUELE CAMPIGLIO, University of Bologna; Roberta Terranova; Francesco Lamperti: *Believe Me when I say green! Heterogeneous Expectations and Climate Policy Uncertainty*

Auditorium

#### **G2 Performance and Border Carbon Adjustment**

*Chair: Achim Hagen*

SIMON LUECHINGER, University of Luzern; Benjamin Krebs: *Air Pollution, Cognitive Performance, and the Role of Task Proficiency*

ACHIM HAGEN, Humboldt University Berlin; Mark Schopf: *Green Protection for Sale: The Impact of Industrial Lobbying on International Cooperation in the Presence of Border Carbon Adjustment*

Sala Balint

**SURED Session** Auditorium  
17.10 - 18.25 *Chair: Michael Hoel*  
MARTIN QUAAS, University Leipzig; Isha Dube: *Love of Variety and the Long-Term Welfare Effects of Trade in Open-access Renewable Resources*

MICHAEL HOEL, University of Oslo: *The Path to Net Zero Emissions*

19.30 – 20.30 Dinner Ristorante

## **Thursday June 9, 2022**

08.00 – 09.00 Breakfast Ristorante



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