

## Borsa di studio attivata ai sensi di quanto disposto dal D.M. n. 1061 del 10/08/2021

Titolo del progetto: Endogenous Contribution Incentives for Cooperation against Global Warming

La borsa sarà attivata sul seguente corso di dottorato accreditato per il XXXVII ciclo: ECONOMIA POLITICA

Responsabile scientifico: Luca Panaccione Area per la quale si presenta la richiesta: GREEN Numero di mensilità da svolgere in azienda: 6 Azienda: Confindustria S.p.A.

## Progetto di ricerca:

Free-riding by letting one's emissions pollute the environment may be better in terms of own payoff, but it is harmful for the society, up to questioning the sustainability of our habitat. On the other hand, all fighting global warming could weaker individual pollution incentives and enhance the efficiency of further contribution efforts. We plan to study these effects experimentally via a modified, non-linear, public good game, in which freeriding incentives decreases linearly with total contribution by maintaining the dominance of freeriding and the efficiency of total contribution, but only above a positive break-even point. This is meant to capture situations in which total contribution to the public good, i.e., effort to preserve the environment, may initially lower the aggregate welfare of those who contribute, for example because substituting the use of harmful and often exhaustible resources by "green", i.e., less polluting ones, is-at least in some countries-very costly via triggering unemployment during a possible quite long industrial transformation period. However, when total contribution is large enough, in particular larger than a positive break-even point, these negative effects will be compensated and further increases in total contribution will be efficiency enhancing. We plan to investigate the behavioral effect of these endogenously decreasing freeriding incentives via a series of controlled experiments, based on the benchmark model proposed by D. Di Cagno, W. Güth, F. Marazzi and L. Panaccione, which will be organized also at the CIMEO experimental lab of the Department of Economics and Law of Sapienza University of Rome. In particular, we want to study how the convergence toward optimal contribution could be nudged via the use of milestones, which may build trust among contributors, i.e., countries involved in the fight against global warming, and therefore constitute the effective tool for policy makers. The results of the different treatments will be used to elaborate evidence-based policy recommendations to preserve the environment.

Titolo del progetto (inglese): Endogenous Contribution Incentives for Cooperation against Global Warming

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