



2nd Science for the Environment Conference
Aarhus Denmark 3-4 October 2013

A Global CO₂ Tax For Sustainable Development? Carbon Leakage, Renewable Energy And Coalitions

Urs Steiner Brandt* & Gert Tinggaard Svendsen**, * Associate professor, PhD, Department of Environmental and Business Economics, University of Southern Denmark, ** Professor, PhD, Department of Political Science and Government, Aarhus University, Denmark

ABSTRACT

Can a global CO₂ tax assist in achieving the twin goal from Rio+20 of promoting green economies and improving the quality of institutions? Based on public choice and environmental economics, the answer given is yes when focusing on the possibilities of new political coalitions, renewable energy incentives, the avoidance of carbon leakage and proper investment of tax revenues in better institutions. In perspective, a green climate fund is discussed.