



**University
of Basel**

Faculty of
Business and Economics



Climate Policy – How to Avoid the Rush to Burn?

Public Lecture

Prof. Dr. Kai A. Konrad

Thursday, November 23, 2023, 18.15h

WWZ Auditorium

Faculty of Business and Economics

Peter Merian-Weg 6, Basel

«Climate Policy – How to Avoid the Rush to Burn?»

Prof. Dr. Kai A. Konrad, Director at the Max Planck Institute for Tax Law and Public Finance

Abstract Suppose a global climate convention is signed that bans burning hydrocarbons for energy purposes. The owners of stocks of fossil hydrocarbon deposits will then try to extract and sell their reserves as quickly as possible, before these become stranded assets. This problem is deeply rooted in the logics of depletable natural resources and known as the “rush to burn”. It is a serious threat to the effectiveness of a global climate convention. The problem can be solved in a way that is not only climate neutral, but can indirectly reduce the total CO₂ footprint. The solution is based on to expand existing and innovate new markets for climate-neutral products from fossil hydrocarbons in the future.

Examples of such products exist and are on their way to be developed. Subsidies for such products or for their innovation reduce the rush-to-burn problem and can strengthen forces for a market-driven energy transition. In contrast, the creation of substitutes for carbon-neutral products made from fossil hydrocarbons, or subsidies for such products, can impede an effective energy transition.

Program

Thursday, November 23, 2023, 18.15h

18.15h Welcome Prof. Dr. Alois Stutzer

18.20h Lecture

18.50h Public Discussion

19.15h Apéro

WWZ Auditorium, Peter Merian-Weg 6, Basel



Kai A. Konrad is Scientific Member of the Max Planck Society and Director at the MPI for Tax Law and Public Finance. He is a member of the of the German National Academy of Sciences Leopoldina and of four other other scientific academies. His research focuses on issues of governance within and between groups of individuals, firms, or states, with a particular focus on the problems of international public goods and on the analysis of conflicts within and between such groups.

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Universität Basel
Wirtschaftswissenschaftliche Fakultät
Peter Merian-Weg 6
4002 Basel
Switzerland

dekanat-wwz@unibas.ch
wwz.unibas.ch