

# Regulation, Welfare, and Distributional Considerations

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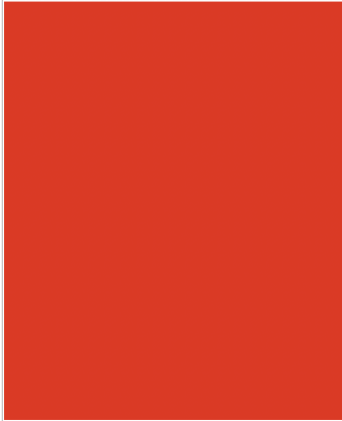
PEDL Workshop on Firms and Climate Change

# Climate change and development are inextricably linked



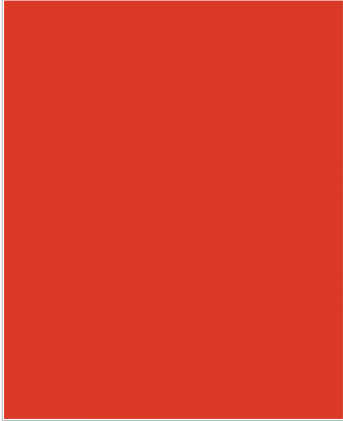
- ▶ Meeting the Paris agreement targets will not be possible without action from developing countries.
- ▶ Developing countries:
  - ▶ collectively account for 60% of total annual emissions,
  - ▶ will be responsible for all emissions growth going forward.
- ▶ Fundamental trade-off: Access to high-quality energy is likely necessary driver of economic development.

# Climate Policy and Development



- ▶ Important considerations:
  - ▶ Large # of informal and small-scale firms
  - ▶ State capacity and political economy constraints
  - ▶ Pre-existing distortions
- ▶ Transition to/start with low-carbon economy?
- ▶ Improve energy efficiency?

# Climate Beliefs



- ▶ What are beliefs/perceptions/attitudes about climate change/policy?
  - ▶ Bearing costs, but reaping benefits?
  - ▶ Who bear the costs?