

SÉMINAIRE

DES DOCTORANTS

Charles Labrousse & Yann Perdreau (PSE):
Geography versus income: the heterogeneous
effects of carbon taxation

ABSTRACT

Redistributive effects of carbon taxation are key for its political acceptability. We build a dynamic equilibrium model incorporating heterogeneity in wealth, income and living areas. Energy serves as both a household consumption good and a firm intermediate input. We position our model as a comprehensive policy toolkit, extendable to diverse countries and several environmental policies. Using calibrated French micro data, we evaluate the redistributive effects of carbon taxation and obtain three key results. First, geography is more important than income to assess the distributive effects of carbon taxation, as rural households bear more substantial losses. Second, the carbon tax on households is regressive, while the carbon tax on firms may be progressive. Third, it is possible to achieve welfare increase and emission reduction through appropriate recycling of carbon policy, but a trade-off between equity and efficiency emerges if we want to reduce the rural-urban gap.

[PHD PROJECT]

WEDNESDAY FEBRUARY 21, 4:30-5:30 - MEETING ROOM + ZOOM

ORGANIZERS: CLÉMENT BOYER, THIBAUT BRIERA, BERTILLE DARAN, SIMON JEAN & BAPTISTE PARENT