

Transcript: Climate neutrality: Possible, necessary – and often too slow! - The Climate Policy Department at DIW Berlin

[German video, English subtitles]

Karsten Neuhoff: Science, politics, and society agree: climate neutrality is both possible and necessary. So why is progress so slow? According to our analyses, the main problem is a lack of suitable policy instruments that the government can use to support households, businesses, and banks in investing in and utilizing climate-neutral technologies. Therefore, we are examining international experience with such instruments, identifying which ones we can adopt, how we can effectively design them, and how we can evaluate them to fill this gap. For example, in the industrial sector, we surveyed and modeled companies, and the consistent finding was that CO₂ prices are too uncertain for investments in climate-neutral technologies. That's why, over the past ten years, we have worked with European partners to explore various policy options and resulted in Climate Protection Agreements. We were then able to support the German Federal Ministry of Economic Affairs in their implementation. It was truly gratifying to see the Minister of Economic Affairs issue the first agreements to industry last year. So, there are many exciting questions for our department. The challenge for us is to always find the right, appropriate methodology; the reward for the researchers is that exciting, relevant analyses can be published effectively and are frequently cited. We are successful when we combine three factors. First: Collaboration with international partners and other disciplines. For example, can we work with legal scholars to better utilize the leeway in global trade law for shaping policy instruments? Can we work with political scientists to examine which governance structures are necessary to ensure the effective implementation of these instruments? And can we collaborate with natural scientists to better understand the available technological options? Secondly, knowledge transfer between politics and science is crucial for us. Through interviews, workshops, and discussions, we aim to understand the relevant questions. This has two advantages. We often gain access to excellent data, and the stakeholders involved early on incorporate our ideas into the political process. And thirdly, - what I find particularly exciting - is to work together within this fantastic team. Working together brings me joy and motivates me to come to the institute every day.