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#### ACCEPTED MANUSCRIPT

# Domestic politics and the formation of international environmental agreements

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#### Abstract

We investigate the effect of domestic politics on international environmental policy by incorporating into a classic stage game of coalition formation the phenomenon of lobbying by special-interest groups. In doing so, we contribute to the theory of international environmental agreements, which has overwhelmingly assumed that governments make decisions based on a single set of public-interest motivations. Our results suggest that lobbying on emissions may affect the size of the stable coalition in counterintuitive ways. In particular, a powerful business lobby may increase the government's incentives to sign an agreement, by providing it with strong bargaining power with respect to that lobby at the emission stage. This would result in lower total emissions when the number of countries involved is not too large. We also show that things change radically when lobbying bears directly on the membership decisions, suggesting that both the object and timing of lobbying matter for the way in which membership decisions, emissions and welfare are affected.

Keywords: game theory, international environmental agreements, lobbying, special-interest groups, strategic cooperation

JEL codes: C7, H41, K33, Q2, Q54

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