



Università
di Genova

DIEC DIPARTIMENTO
DI ECONOMIA

Economics and Quantitative Methods PhD Seminar Series

“Kantian Behavior and Policies under International Oligopoly”

HIROSHI KURATA (TOHOKU GAKUIN UNIVERSITY)

Abstract

Motivated by the increasing global emphasis on corporate environmental responsibility, this paper explores the implications of Kantian behavior within the framework of an international oligopoly. We construct a three-country duopoly model in which firms produce goods that cause environmental damage and compare the equilibrium levels of environmental investment under non-cooperative Nash behavior and Kantian behavior. The analysis shows that, when firms internalize the environmental consequences of their production, Kantian behavior leads to more responsive environmental investment than the standard Nash equilibrium. Furthermore, while export subsidies have no effect on Nash investment, they significantly influence Kantian investment. In contrast, environmental taxes promote abatement investment under both behavioral assumptions. We also find that increases in firms' environmental concerns and the degree of transboundary pollution enhance investment under Kantian reasoning. These findings underscore the relevance of behavioral considerations for the effective design of environmental and trade policies.

Thursday 11 September 2025, h. 14.30

Aula Passadore