



**MONDAY**  
**September 28, 2020**  
**14:30 – 15:30**

**THÜNEN LECTURE**  
(Language: English)

**VIRTUAL**

**Johann Heinrich von Thünen Lecture:**

**Klaus Schmidt (University of Munich LMU)**

**“The Design of Climate Change Negotiations”**

**Introduction:** Achim Wambach (Chair of the Thünen Commission / ZEW)

International cooperation on climate protections needs to be negotiated. The success of these negotiations depends on how they are designed. The negotiations of Kyoto and Paris did not achieve an effective commitment of the largest polluters to sufficiently reduce carbon emissions. Weitzman (2014) and others proposed to focus negotiations on a uniform minimum price for carbon to achieve more ambitious cooperation. I report on two experimental studies that put this proposition to an empirical test. In a lab experiment Ockenfels and Schmidt (2019) show that negotiating a uniform common commitment (such as a carbon price) is much more successful in achieving cooperation in an asymmetric public good game than negotiating a complex common commitment (as in Kyoto) or individual commitments (as in Paris). This results holds not only when agreements are enforced, but also when they are not enforceable. In Schmidt, Hofmann and Kyriacou (2020) we cooperate with Model United Nations societies to simulate international negotiations. This novel experimental format combines some of the advantages of lab and field experiments. It confirms that negotiating a uniform carbon price yields significantly higher emissions reductions than individual commitments as in the Paris agreement.

*The Johann Heinrich von Thünen Lecture has been an important part of the annual meetings since 1986.*

*Johann Heinrich von Thünen (1783-1850) was a noted German agronomist, economist and social reformer from Mecklenburg. His “ring model” of agricultural land use is an early example of applied economic geography. Other notable work of Thünen addressed the notion of a “natural wage”. He is one of the pioneers of applying marginal principles to the solution of optimization problems in economics.*

*The Thünen Lecture is given at the invitation of a commission of the Executive Council and honors distinguished members of the Verein fuer Socialpolitik or other persons and their academic achievements in Economics in the German-speaking world. The topic of the presentation is determined by the lecturer.*

*A list of previous speakers and topics can be found on [www.socialpolitik.org](http://www.socialpolitik.org)*