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AWI This Week

Monday, 14. 11. 11

Departmental Seminar

17.15-18.45

Charles Figuières, INRA, Montpellier

AWI 00.010

"Deforestation as an externality problem to be solved efficiently, while taking account of environmental responsibility"

Jour Fix

The AWI JOUR FIXE takes place at the Lounge on a weekly basis on Mondays from 16:30 till 17:15 (i.e., just before the departmental seminar). There you will have the opportunity to meet the speaker, enjoy a coffee, and exchange news and discuss research with other members of the AWI.

Abstract

Departmental Seminar

Charles Figuières

"Deforestation as an externality problem to be solved efficiently, while taking account of environmental responsibility "

The international community recently agreed on a mechanism called REDD+ to reduce deforestation in tropical countries. However the mechanism, by its very nature, has no reason to induce a Pareto optimal reduction of deforestation. The aim of this article is to propose an alternative class of mechanisms for negative externalities that implements Pareto optimal outcomes as Subgame Perfect Nash Equilibria, and that satisfies some fairness properties, in particular two new axioms of Merit in Preserved Forest (called d-MPF and S-MPF). Outcomes are individually rational (IR) and the scheme does take into account environmental responsibility in the sense of our two axioms d-MPF and S-MPF. However, envy freeness, even in a weak form adapted to the deforestation problem, turns out to be hard to achieve without dropping the other properties.

Talks and Research Visits

Bram Driesen gave a talk on "Proportional concessions and the leximin solution" at the ISEG/UECE meeting on Game Theory, Lisbon, Portugal, November 4.

Christiane Schwieren presented the paper "Age differences in the reaction to incentives – do older people avoid competition?" (joint work with Alec Sproten) at the 2nd International Workshop on the Socio-Economics of Ageing in Lisbon, Portugal, November 4.

Alec Sproten presented his paper "Ageing and decision making: how ageing influences decisions under uncertainty" at the 2nd International Workshop on the Socio-Economics of Ageing in Lisbon, Portugal, November 4.

New and Leaving Staff

Christiane Binzel has taken up a postdoc position at the AWI in November 2011. She received her Ph. D. from Humboldt University of Berlin and was a Visiting Assistant Professor at Dartmouth College in the academic year 2010-11. Her research interests are in development economics, labor economics and behavioral economics.



Jörg Rieger started his postdoc position at the chair of Zeno Enders November 1. He did his Ph. D. at the University of Essex. His research interests are in macroeconomics and monetary theory, incomplete markets and heterogeneous beliefs.



**Editorial deadline for issue 27/2011 of the newsletter:
Wednesday, November 16, 2011, 12 o'clock
newsletter@awi.uni-heidelberg.de**

If you would like to receive the newsletter by email,
please contact the address above.