

PRESENTATIONS

CIFREM THIRD YEAR AND SECOND YEAR DOCTORAL STUDENTS

Thursday, 16 September 2010
3.00 PM – DISA seminar room
Faculty of Economics
Via Inama, 5 - Trento

DO SOURCES OF ENVIRONMENTAL IMPACTS AFFECT ELICITED ENVIRONMENTAL RISKS? AN EXPERIMENTAL INVESTIGATION AND APPLICATION OF THE EXCHANGEABILITY METHOD.

Abstract

Using a laboratory experiment, we explore whether the source of an environmental impact affects subjective environmental risks, elicited using the exchangeability method. The context is the pine beetle's potential risky impact on private and public forests. In one main treatment, subjects are only told that there is a chance of the pine beetle adversely impacting forest acreage. In the other main treatment, subjects are told that the cause of the pine beetle impact is global warming. Two other separate treatments involve testing for whether the forest is "public" or "private" matters in risk elicitation, and a fifth treatment similarly explores within-subjects differences in this regard. We find that across subjects this difference between public and private forest status does not matter, but the subjective risk for the group told that global warming is the cause of pine beetle damage is significantly higher than for the group not given this information.

Speaker: Simone Cerroni - CIFREM Ph.D candidate

TIME TO BUILD AND PROCESS INNOVATION

Abstract

In economic theory innovations and discoveries have different meanings, which are often - to some extent - complementary and do depend on the type of problem studied. Product innovation, process innovation, technological innovation, organizational innovations and so on are familiar terms. Nevertheless their precise definitions are conceptually problematic. As the meaning of the word conveys, an innovation is something new, that emerges in unforeseeable ways. The modelling of truly unforeseeable events is a task which economists seem not to have taken up seriously. It is often the case that innovations are modelled with functional forms that are equivalent to the functional forms used to describe physical production. If we consider the dominant approaches (like Romer's endogenous growth models, Aghion-Howitt creative destruction growth models, RBC models) or the not so dominant ones (like that of the Neo-Austrians, of industrial structuralisms, or Nelson and Winter's evolutionary theory), we find that the innovation process is described in the same way as production (whether with deterministic or stochastic process is here irrelevant). In this paper, we harness the intrinsic uncertainties of a Turing Machine (TM) and to use the TM metaphor to model and analyse the dynamic interactions of innovational and production processes within a time to build framework.

Speaker: Dharmaraj Navaneetha – CIFREM Ph.D candidate