



**ARC Research Network**  
**Economic Design Network**  
**Annual Report 2008**

<http://pluto.ecom.unimelb.edu.au/ednetwork/>

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# Convener's Report

## 1 ARC Economic Design Network 2005-2008 Four Years of Achievement

### 1.1.1 Background

The ARC Economic Design Network (EDN) is a research network set up under a five year agreement (2005-9) between the Australian Research Council (ARC) and participating EDN Institutions to support research and scholarship in economic theory and experimental economics, and their application to the design of economic policy. The purpose of this document is to review what has been achieved in the first four years.

The Institutions that are signatory to the agreement are the Australian National University, the University of Auckland, the University of Melbourne, the University of New South Wales, the University of Queensland, the University of Sydney, and the CSIRO Division of Sustainable Ecosystems. In addition, there are a number of participating institutions (including Caltech and George Washington University) that have formal links with the Network but are not party to the agreement. In addition to these institutions, the Network currently has 278 individual members.

The objectives of the Network are:

- To coordinate and facilitate research in economic theory, experimental economics, and economic design by members and participating institutions;
- To coordinate and facilitate innovative policy development through the application of this research;
- To provide a central forum for communication and the dissemination of information;
- To support regular and occasional conferences;
- To run an annual summer/winter school;
- To support a program of academic visitors to the network;
- To provide professional training and support to policy makers; and
- To build capacity in the Australasian region, and in particular to facilitate the development and application of experimental economics.

The EDN is funded by the ARC, and by contributions from its Contributing Institutions. Most EDN activities also attract significant additional co-funding from other sources. Over the life of the Network to date, the ARC has contributed approximately 60% of total funding, Contributing Institutions have provided 14%, and co-funding has provided 27%. In addition, the participating institutions have provided substantial in-kind contributions to running the Network and its activities.

The EDN is one of a number of Research Networks set up by the ARC in 2005. The ARC has indicated that it is reviewing the Research Network Scheme, but has so far given no indication that it will continue to provide support for this Scheme or for any of the Networks that it has set up under it.

### 1.1.2 Membership and Participation

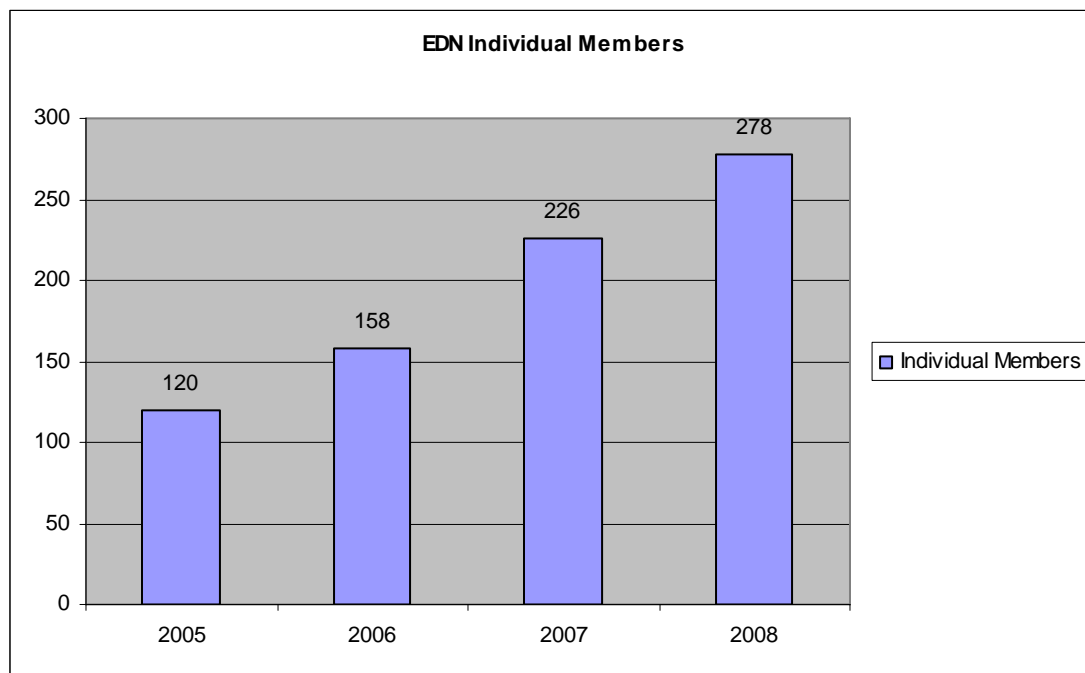
Since its inception, participation in the Network has been strong at both the institutional and individual level. Several EDN Institutions have voluntarily increased their level of cash contribution beyond that specified in the initial Network Agreement with the ARC. They have done so to signal the strength of their participation and to gain a seat on the Board:

- The University of Sydney (\$15,000 per year since 2005)
- The University of Queensland (\$5,000 per year since 2007)
- The Australian National University (\$10,000 per year since 2008)

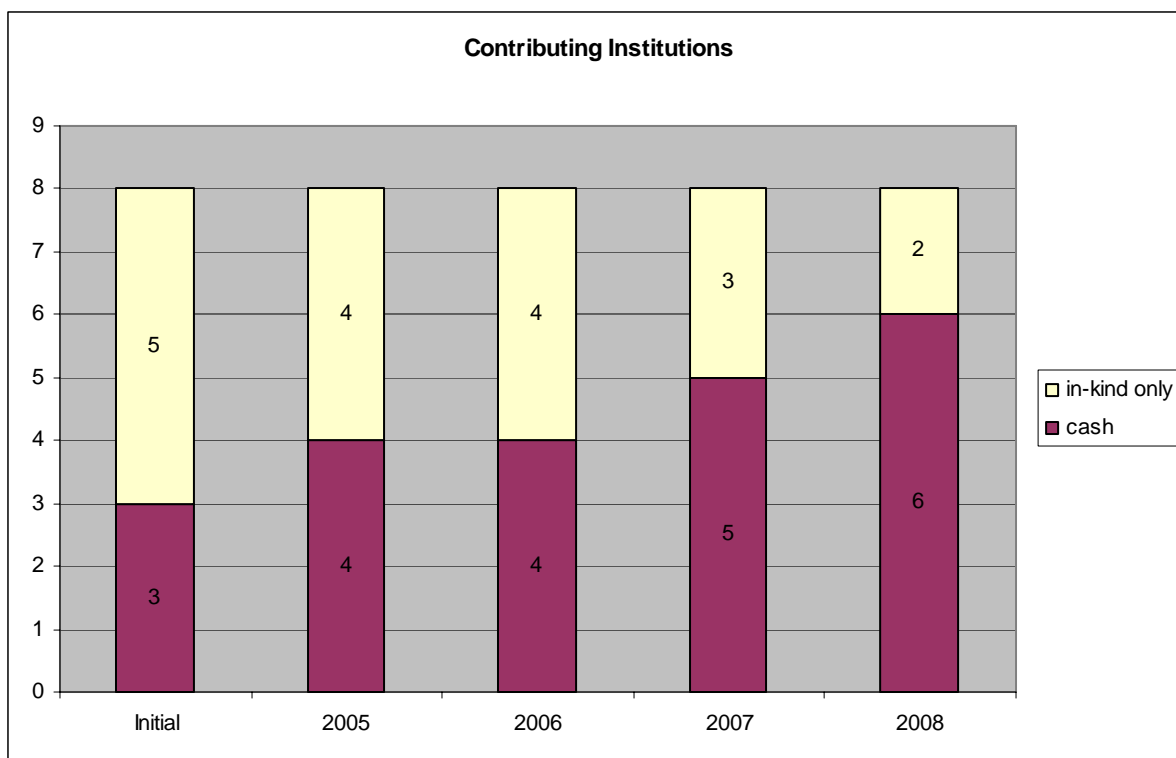
The number of participating institutions that have formal links with the Network but do not have a seat on the Board has also increased, from 10 in 2005 to 12 at present – most recently the University of Canterbury, NZ. Several other institutions have recently inquired about full financial membership.

Individual membership has also grown strongly (see Table 1). Members are required to confirm their continuing membership of the Network once per year, so these figures reflect active membership.

Membership is very diverse, ranging from PhD students to Nobel Prize winners. 40% of current members are Early Career Researchers, and 12% are from government or public policy institutions. Around 70% of members are in Australia, 10% are in New Zealand, 10% are in the United States, while the remainder are from all over the world.<sup>1</sup> There are active special interest groups within the Network in Economic Theory, Experimental Economics, Environmental Economics, Competition and Regulatory Policy, and Health Economics. There is a high level of participation by EDN members in the conferences, workshops and other activities sponsored by the Network – detailed data on participation in these activities is set out in our Annual Reports.



<sup>1</sup> There are members in Australia, Africa, Belgium, Canada, France, Germany, Guatemala, Hong Kong, India, Italy, Japan, Mexico, the Middle East, Nepal, Netherlands, New Zealand, Philippines, Russia, Singapore, Spain, Switzerland, Taiwan, UK, USA.



### 1.1.3 The EDN programs

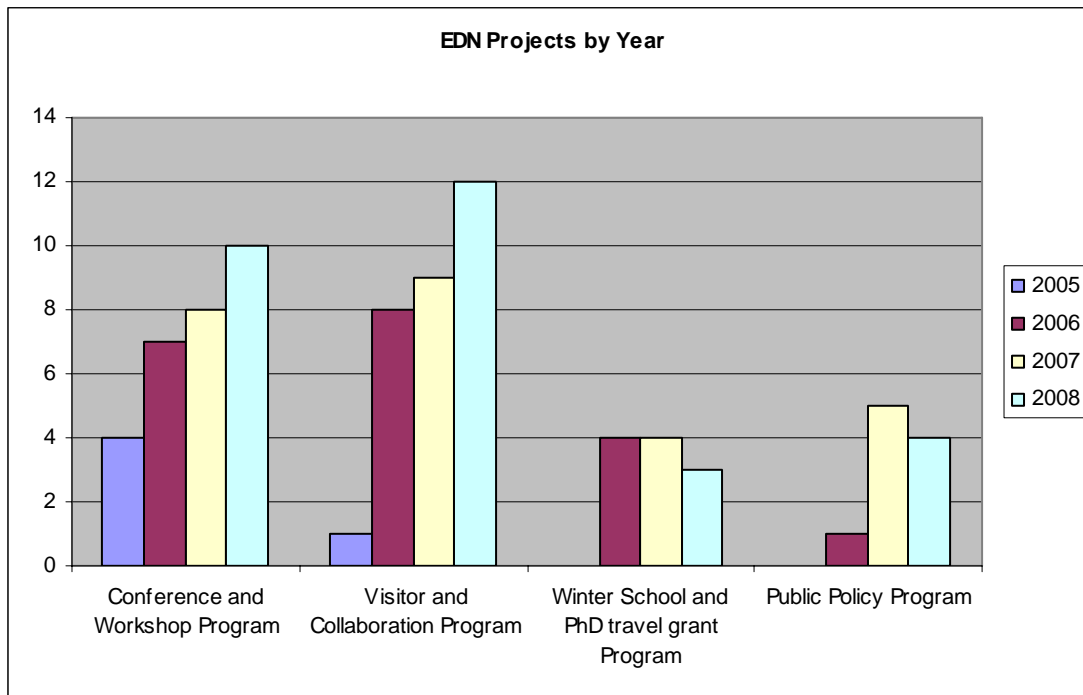
Comprehensive information on all projects and activities that have been funded since the inception of the Network is available on the EDN website, and will not be repeated in detail here. The website is an excellent resource for reviewing all the EDN programs, both in outline and in detail. In most cases, this includes a link to the original workshop, conference or event website.

#### 1.1.3.1 *Communication*

- The EDN website <http://pluto.ecom.unimelb.edu.au/ednetwork/index.cfm> has become an important information clearing house. All forthcoming, current and past activities are documented there. There is information to facilitate sharing of academic visitors between EDN institutions, up to date information on seminars, workshops and conferences, and directories of researchers with interests in particular subfields (for example theory, experimental economics, health and environmental economics) and of resources relevant to these subfields.
- The EDN hosts an annual reception at the ASSA world congress and academic job market exchange, the most important international meeting for academic economists. The EDN reception has become a focal point for expatriate academics, graduate students, job market candidates, and past academic visitors to Australian institutions to keep in contact with the Australian academic community.
- Apart from the Annual General Meeting, all meetings of the Board and Executive take place online, using teleconferencing and the EDN Bulletin Board.
- All project management, from initial proposal by a member or member institution, through to consideration by the Executive or Board, and to reporting on completed projects, is managed on line through the EDN Project Management System. Funding decisions are usually made within one week of the initial proposal. In 2008 the EDN approved and managed 34 projects through this system.

### 1.1.3.2 Conference and Workshop Program

- The EDN provides a flexible and rapid mechanism for funding small conferences and research workshops
- The EDN funds keynote speakers, invited sessions, symposia and specialist streams on topics related to economic design at major conferences such as the Australasian Econometric Society meetings
- The EDN provides travel scholarships for Early Career Researchers and PhD students to most conferences and workshops with which it is associated
- The EDN supports training workshops in economic design topics for policy professionals in government and industry
- Since 2005, the EDN has supported 9 major conferences, 20 small conferences and research workshops, and 6 training workshops



### 1.1.3.3 Visitor and Academic Collaboration Program

- The EDN funds Visitor Programs at many participating institutions. Visitor Programs augment local funding and bring leading scholars and researchers to spend time at EDN institutions. EDN support has been instrumental in bringing many of the world's leading scholars, including a number of current and recent Nobel Prize winners, to spend time in Australian institutions
- EDN funded visitors are expected to give a public lecture, to spend time with PhD students and Early Career Researchers, and to visit more than one EDN institution
- The EDN also funds Academic Collaboration Projects, which allow co-authors to travel and spend time together working on joint projects
- Since 2005 the EDN has funded 19 Visitor Programs at various institutions, involving over 100 visitors, and 11 Academic Collaboration projects

### 1.1.3.4 Winter School, PhD, and Early Career Researcher Program

- The EDN Winter School is regarded by many as the Network's flagship program. This is a residential school, of about a week in duration, held at an EDN institution in July. There are normally two complementary streams of lectures on topics at the research frontier, taught by eminent invited researchers. In addition there may be practical sessions, workshops, laboratory sessions and occasional invited lectures.

- The aim of the Winter School is to fill a gap in graduate training, and to provide career development for Early Career Researchers. No Australian institution is able to provide the depth of advanced PhD coursework that is available at the world's top graduate schools.
- The EDN provides full travel and accommodation scholarships to approved PhD students to participate in the Winter School. Students are housed on campus to encourage networking. There is also strong demand for Winter School places from Early Career Researchers and other EDN members. There is no tuition fee, but these participants must meet their own costs.
- All EDN Winter Schools from 2006 to 2008 have been oversubscribed, with numbers capped at around 50.
- In addition to Winter School grants, the EDN provides conference travel grants for PhD students and Early Career Researchers, including a small number of grants to allow PhD students to present their work at international conferences. Since 2006, 80 travel grants have been awarded.

#### **1.1.3.5 *Public Policy Program***

- One of the objectives of the Network is to be a bridge between academia and policy makers. Ten percent of EDN members are policy professionals, and they are well represented in most EDN activities. One member of the EDN Board is currently from this sector.
- Since 2005 the EDN has sponsored 8 policy training workshops and 4 policy round tables (most recently on the design of the Emissions Trading Scheme).

#### **1.1.3.6 *Support for Experimental Economics***

- One of the objectives of the Network is to encourage the development of the Experimental Economics discipline, and to strengthen links between theory, experiment and policy design.
- Since 2005 the EDN has sponsored 8 small conferences or workshops in experimental economics, including joint workshops designed to bring together theorists and experimentalists. With EDN support, Australia will host the 2010 Asia-Pacific Meetings of the Economic Science Association, an indication of the maturing of the discipline.
- In the last three years new laboratory facilities have been commissioned in Australian institutions, and new appointments have been made which are sufficient to create a critical mass in the discipline. In particular, under a joint venture facilitated by the EDN, the University of Melbourne and the Victorian Government have established an Experimental Economics Laboratory that is used both for economic research and policy design.

## 1.1.4 Value Added by the Network

### 1.1.4.1 To EDN Members and Institutions

In October 2008 the EDN surveyed network members and the academic community in order to assess the value of the services that it was providing. This survey generated a very rich set of responses, which we draw on here. There were 98 responses, of which 92 were EDN members and 6 were non-members. This response rate is high for an on-line survey. More interesting is the quality of the responses: most respondents put in considerable time and effort and provided detailed, thoughtful comments on each question as well as selecting a categorical response. This provides a very rich source of feedback, to which we cannot do full justice here<sup>2</sup>.

A summary of the responses, and a small selection of the comments, is presented below at the end of this section. The main conclusions that can be drawn from the data are:

- All of the EDN programs are highly valued by members.
  - For example, in response to the question “How valuable have you found the following EDN programs?”, 69% found the Conference and Workshop Program to be highly valuable, 20% to be valuable, 3% to be not valuable, and 7% responded that the question was not applicable<sup>3</sup>.
- The Conference and Workshop Program was the most highly valued program, followed by the Visitor and Collaboration Program, the Winter School and PhD program, and the Public Policy Program.
- There is a universally strong view that the EDN has improved the ability to network with other researchers, and improved the opportunities to collaborate and get feedback on research.
  - This view is backed up by many specific comments and examples, not all reported here but available in the full dataset.
- There is a strong view that the EDN has improved international research linkages, improved the ability to retain or recruit good researchers, improved research productivity, and improved access by government to relevant current research.
  - Senior researchers are more definite in their views on these institutional effects, while junior researchers more likely to be unsure.
  - There is strong evidence in the personal comments to support the view that the EDN has improved the ability to retain or recruit good researchers, and in support of the value of the Winter School.
- There is mixed support for the view that the EDN has enhanced the development of new research areas, with many unsure. However there is very strong support expressed in the comments of those who have been involved in the experimental economics discipline (one of the EDN's original core objectives).
- There is strong support by senior researchers for the view that the EDN has filled gaps that are not addressed by other ARC programs. Once again, junior researchers (and overseas members who have had little other experience with ARC programs) in many cases are not sure.

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<sup>2</sup> There are around forty pages of detailed comments in all. The full, unedited dataset containing all responses and comments, including some negative comments and feedback (though these are relatively few) is available in a convenient form at

<http://pluto.ecom.unimelb.edu.au/ednetwork/surveyResponses/>

A link to this dataset can also be found on the home page of the EDN web site. This data set is presented in a very convenient form, and is well worth looking at.

<sup>3</sup> Most who responded NA were EDN members from outside Australia. The number of respondents to this question was 85; some (mostly overseas members) did not respond to this question, presumably finding it not applicable.

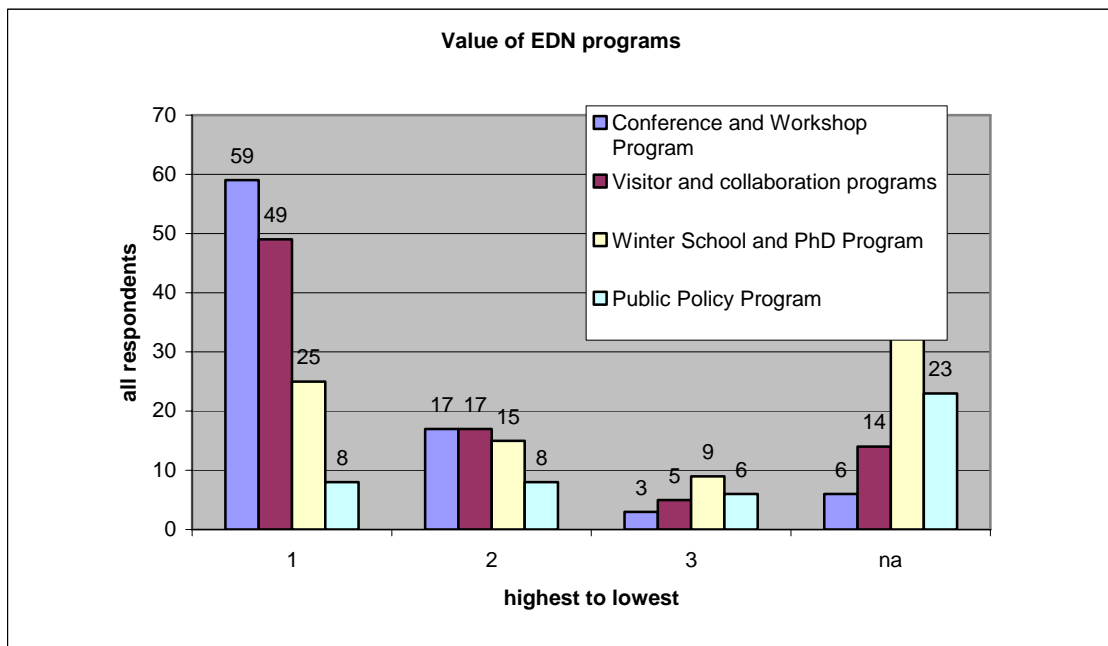
### 1.1.4.2 To Government

Through its public policy program the EDN has created links between government and academia, and built up the capacity to address policy issues with up-to-date economic design tools. The Network has sponsored policy workshops on a range of issues, including strategic issues in public health, the design of policy instruments to address biodiversity preservation, and the design of an Emissions Trading System to mitigate greenhouse gas emissions. It has also sponsored a series of policy training workshops on auction theory, contract design, and the use of experimental economics in policy design and evaluation. These techniques have been used by government in a range of policy contexts, including biodiversity and environmental policy, urban water quality, and the allocation of aquaculture sites, gaming licences and urban bus routes. Twelve percent of EDN members are from the public sector.

### 1.1.4.3 Value for Money

The EDN has been strikingly effective when its achievements are considered relative to its costs. It has mounted four major programs (The Conference and Workshop Program, the Visitor and Collaboration Program, the Winter School and PhD program, and the Public Policy Program), involving dozens of individual activities. It has engaged with around twenty research institutions and nearly three hundred researchers. It has generated genuine cooperation between the major universities involved. It has generated enthusiastic support from its members and the research community.

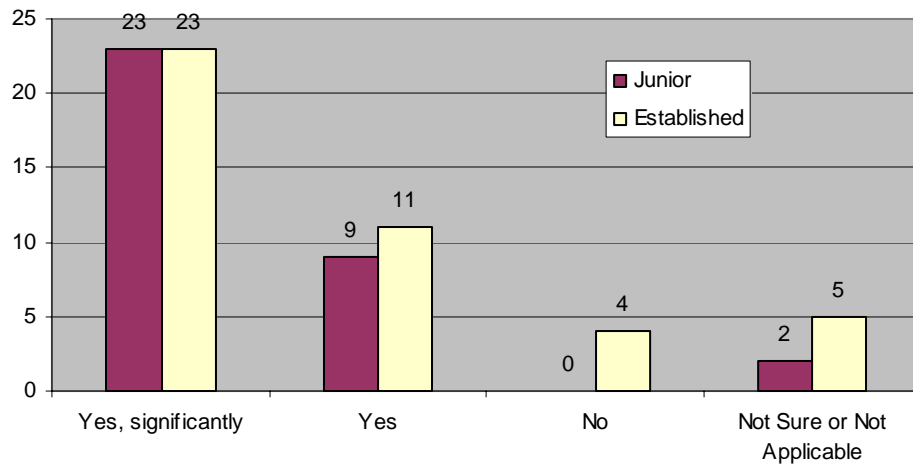
The total ARC contribution has been \$300,000 per year, comprising 60% of the total cost of running the EDN<sup>4</sup>. To put this in perspective, the average annual funding of a 2009 ARC Discovery Grant, each involving at most a small handful of people, is \$116,000. The total number of Discovery Grants awarded was 845.<sup>5</sup>



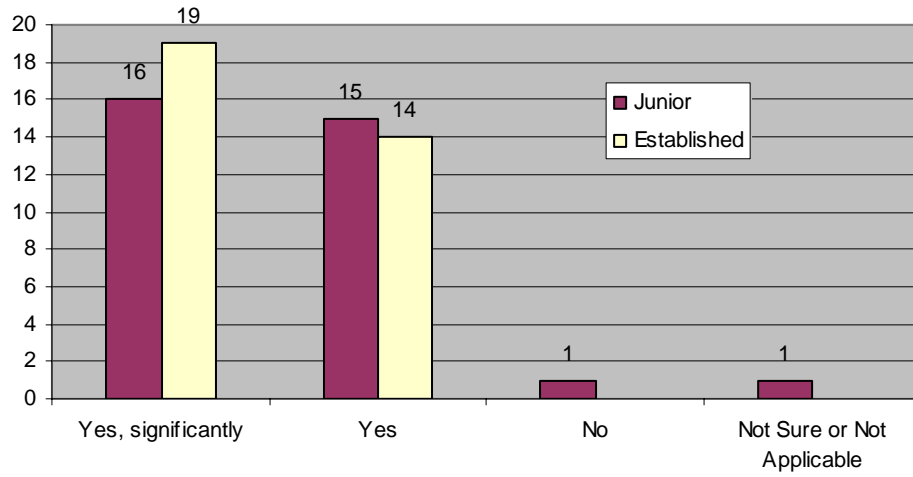
<sup>4</sup> Excluding in-kind contributions by participating institutions.

<sup>5</sup> ARC: Selection Report for Funding Commencing in 2009.

**Has the EDN improved your ability to network with other researchers?**



**Has the EDN improved opportunities to collaborate and to get feedback on your research?**



*There was nothing like this before. It has certainly achieved its aim of building an Australasian network in the experimental economics area.*

*It is hard to think of an ARC program that compares. Clearly the EDN is an inspired initiative with uniquely positive attributes and possibilities.*

*I do not think any other program comes close to the achievement of EDN in facilitating communication among scholars and practitioners in the area of experimental economics / design of institutions in Australia. It is unique.*

*The networking aspects of all the EDN programs are not funded by other ARC programs. This is critical for maintaining connections overseas and ensuring broad international awareness of the best research in Australia.*

*The quality of conferences and workshops around the Australasian area jumped upwards once EDN pitched in to attract world class speakers.*

*We have had excellent visitors over the past year. What is unusual is the amount of time that these visitors have for junior researchers. This includes discussing research topics and giving advice.*

*The funds available for networking fill an important gap. We were never able to create this type of intellectual environment, before the EDN funding.*

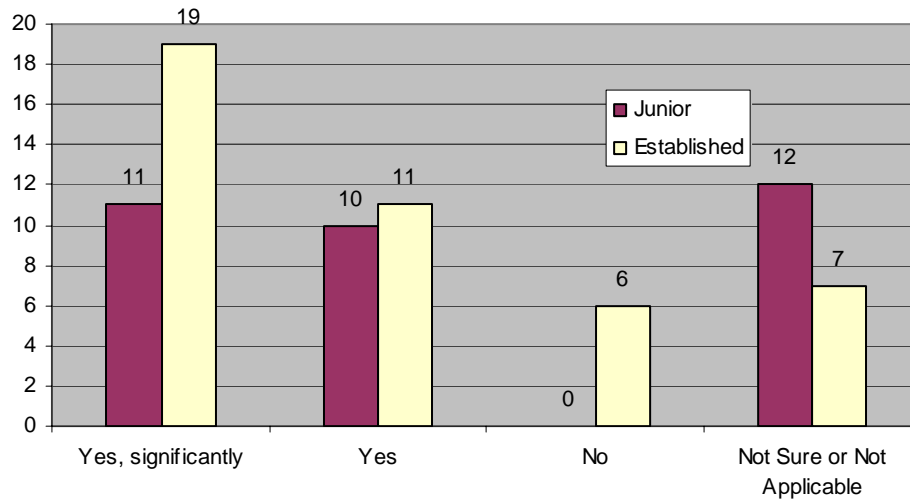
*The Information Economics conference in March of 2007 was an incredible opportunity to interact with the very best economists in the world.*

*This program helps us tremendously to overcome, or at least mitigate, Australia's remoteness. I think it is mainly due to this program that we can correctly consider ourselves as being closely in touch with the centre of gravity of economics, which are the top U.S. schools.*

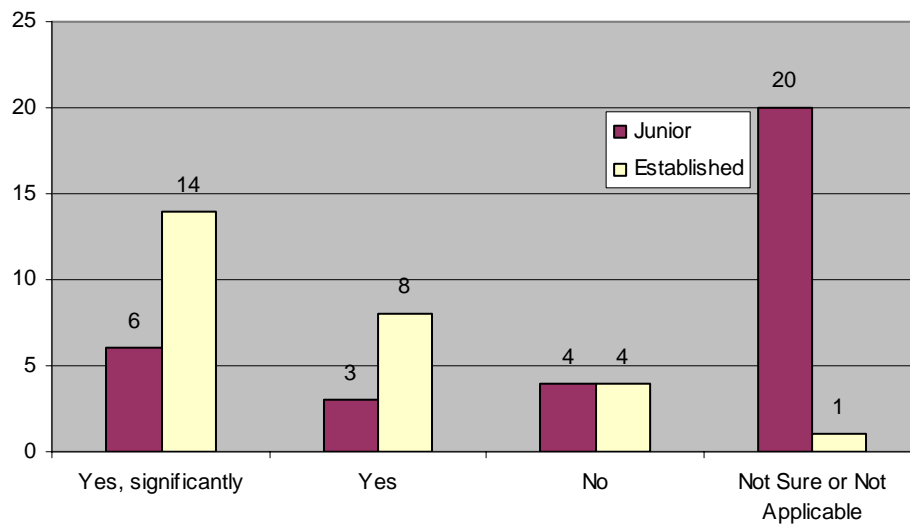
*The EDN is a great initiative breaking the yoke of the tyranny of distances. It is a wonderful tool.*

*I found the EDN to be unique in its ability to bring together and fund research activities of economists from around the globe in a very flexible, un-bureaucratic way. I'm sure it has helped to raise international awareness for some of the great work of Australian economists, to educate researchers and policy makers in modern economic approaches, and to initiate novel, high-level and practically relevant research.*

**Has the EDN improved your institution's international research linkages?**



**Has the EDN improved your institution's ability to retain or recruit good researchers?**



*I am extremely grateful to the ARC for funding the EDN. It has had a big impact on my academic life. My junior colleagues, in particular, have told me of new projects they have commenced following seminars and "tutorials" by EDN visitors. In addition, one of my PhD students is using a new framework introduced by a visitor from the US during his seminar, but not yet described in any paper. The student would not have had access to this idea, nor the opportunity to interact with the academic about this, without EDN funding.*

*The Winter School of 2008 was also a hugely valuable experience. The two lecturers, Preston McAfee and Randall Wright, are both amazing teachers as well as famous researchers. I learned a great deal about how to present material on pricing to graduate students, from Prof. McAfee's lectures. And Prof. McAfee and I have started a joint paper together. But the most useful part of the course for me was the lectures by Prof. Wright, which gave me a whole new set of tools for addressing the problems I'm currently working on, and opened up so many more possibilities. I will be visiting Prof. Wright in the US, next month, to continue conversations begun at the EDN winter workshop.*

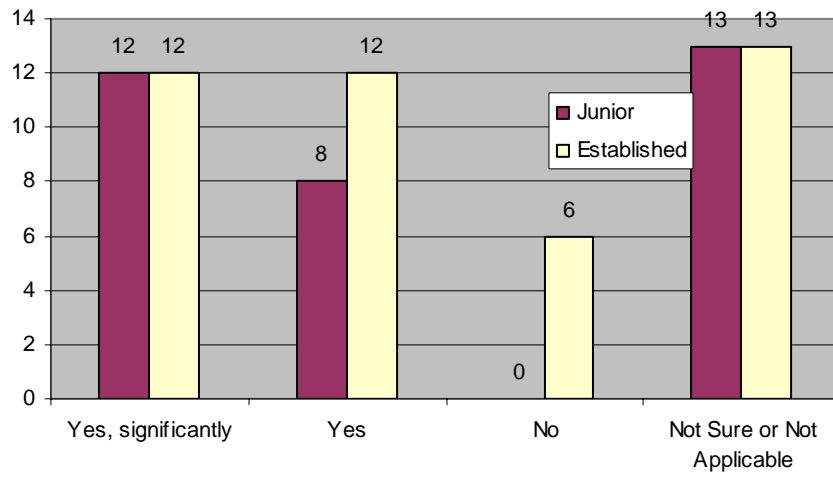
*I attended the Winter School on Money and Pricing and found my time during this five-day program very well spent. In short, it was a superb learning environment. Prof. McAfee and Prof. Wright: both are prominent scholars on their field and perfect speakers. I am very grateful to those that made this winter school possible, and look forward to attending similar programs.*

*This is a BRILLIANT initiative for our young researchers. Advanced coursework is now an integral part of every top-tier PhD programme internationally, but it is very expensive to implement at each individual Australasian University. The PhD Winter School provides a cost-effective alternative. It gives our students access to intensive courses in frontier theory/method delivered by world leading scholars. Pooling students from different Universities also creates valuable intellectual networks, as well as reducing the sense of isolation which can be very de-motivating for PhD students.*

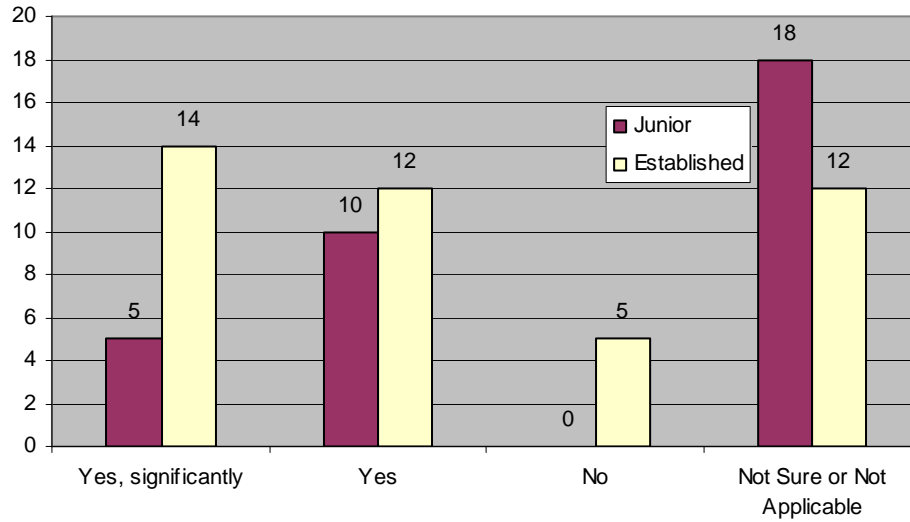
*This is a fantastic opportunity for PhDs and ECRs to hear the best international scholars in their areas of expertise. My PhD students have participated with substantial broadening of their horizons and deepening of their knowledge.*

*Auction theory and experiments workshop run at University of Sydney attracted two extremely well respected authorities to teach the material, of direct benefit to me as I am doing my PhD on the topic. The EDN Winter schools have been exceptional. They have been instrumental in getting excellent researchers to the Australian region and the interaction with them has been very beneficial, both in terms of talking and learning about their research and getting comments on our research.*

**Has the EDN enhanced the development of new research areas?**



**Has the EDN improved your institution's research productivity?**



*I arrived from overseas in January 2007 and almost immediately upon arrival I participated in the Australasian Economic Theory Workshop at ANU, where I met I guess 80 percent of all the people working in Australia and N.Z.. Needless to say, this is incredibly helpful, and a very welcoming experience as well.*

*I was on the hiring committee for my department at the American Economic Association meetings in January 2008. Every theorist that we interviewed was strikingly impressed with the level of research activity and workshops, and the ability to bring in top researchers. It was a key factor in selling the university to prospective candidates. We hired an excellent candidate from MIT.*

*First, one of the main reasons I decided to move to Australia was the great visitors' programme. Second, in 2007 and 2008 a number of Universities in the region managed to recruit excellent people. These people told me they were not afraid to be academically cut-off in Australia and that was largely due to the EDN.*

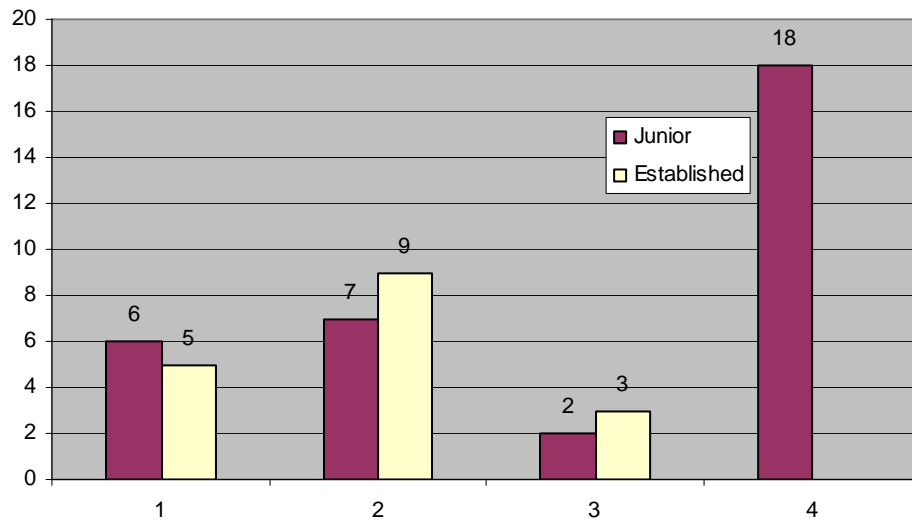
*I have been on the selection committee twice during the lifetime of EDN. We always explain to the job candidates how we are able to maintain a very active visitors and seminars program as a result of EDN. This is a reassuring statement for them because most people worry about being cut off from the rest of the world when they are making the decision to move to Australia. They have told us, after looking at our website, that the amount of activity we have is better than many schools in the US.*

*The EDN has been a crucial advantage to the University when hiring in the international market. This applies from the entry level to the chair level. The top candidates will only consider moving to Australia if they know that we are well integrated in the world academic environment. The EDN has been invaluable in overcoming Australia's academic isolation.*

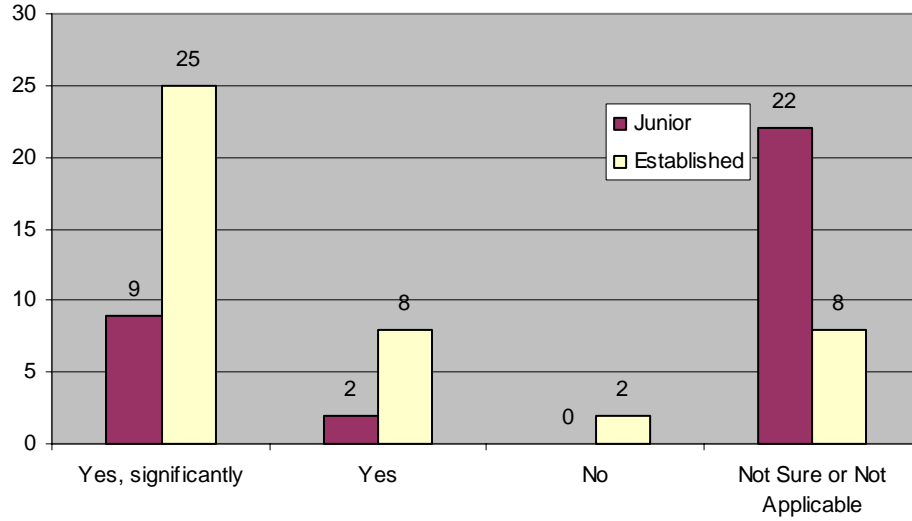
*Well, it's hard to believe that we would have been able to recruit from top schools like Berkeley or MIT without the prospect of support by EDN for their research once these juniors were hired. The visitor program has been outstanding. Amongst other things, it helps in recruiting junior academics from overseas; it clearly demonstrates that Australia is not an academic backwater, and that moving here does not mean losing contact with leading international researchers.*

*I was thrilled to find that it existed upon commencing my PhD, as it gave me a collaborative network whilst undertaking an isolated course of study, and allowed me to be exposed to different areas of research*

**Has the EDN improved access by government to relevant current research?**

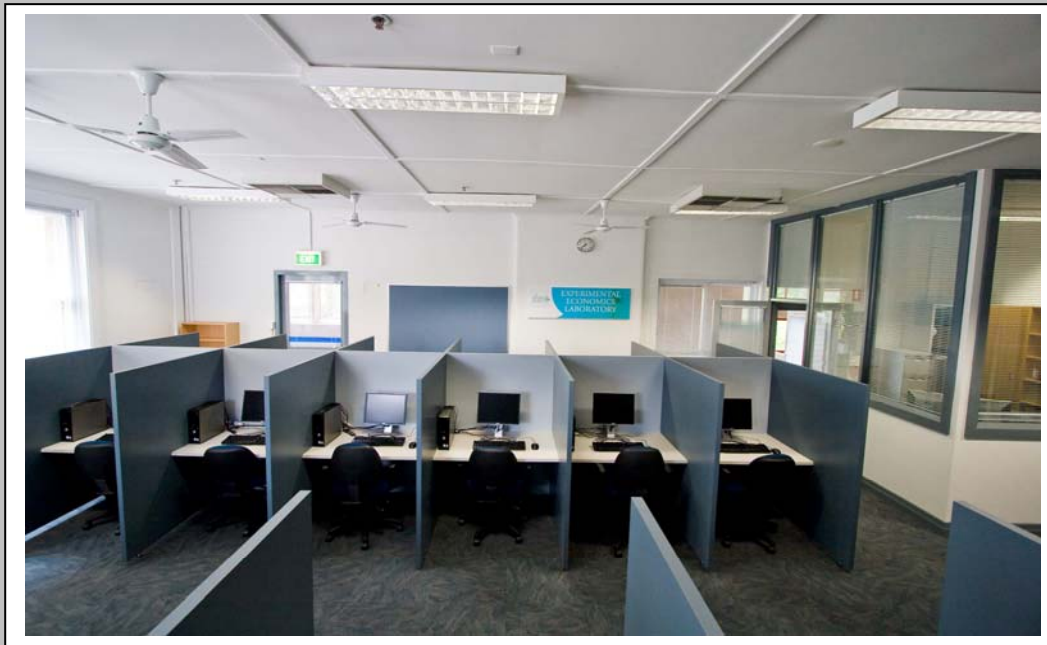


**Has the EDN filled gaps that are not addressed by other ARC programs?**



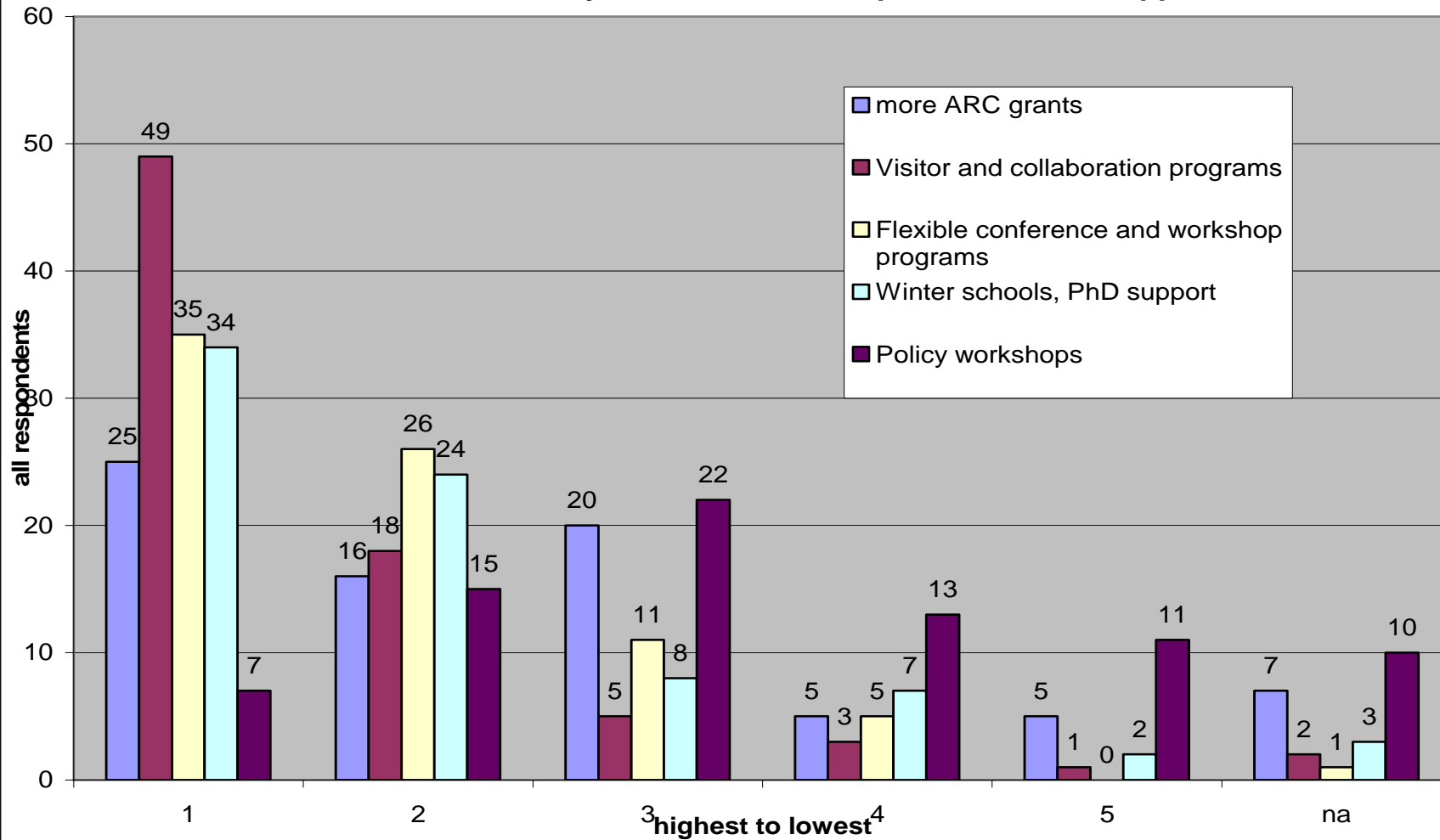
*The Emissions Trading Design Workshop organised by the EDN exposed the Commonwealth Government design team to expert input from leading US and EU experimental economists. This workshop was influential in the design of the Commonwealth's Carbon Pollution Reduction Scheme. My staff attend a number of workshops hosted by the EDN. These workshops raise the skills and knowledge of policy economists.*

*Had it not been for the EDN, I am convinced that the growth experimental economics has enjoyed as a field in Australia would not have happened. My institution now routinely uses experimental economics laboratories as part of the policy design process. This capability has been developed with the EDN. Many previously intractable policy problems can now be formulated as economic problems and new institutions designed. Experimental economics has skyrocketed in Australia. The number of researchers in this area working in Oz has jumped from about 4 to about 15 since EDN has helped to support the area. EDN has been an energetic and vibrant community. Especially in my area of interest (experiments), EDN has provided useful and interesting workshops that can be of immense value to PhD students and researchers*



The \$900,000 Experimental Economics Laboratory was funded under a relationship between the University of Melbourne and the Victorian Government established through the EDN

### Most valuable ways for the ARC to improve research support



### 1.1.5 The Role of the EDN: Filling a Gap

The ARC Research Network Scheme has been a significant innovation, exploring new modes of engaging with the research community.

What can we learn from four years of experience with this scheme?

In the case of the EDN and the EDN community of around 280 researchers and 20 research institutes, the answer is clear: the innovation has been an outstanding success! It has shown that there are important gaps in the ARC research support system, and that these gaps can be addressed effectively and at relatively low cost.

The message is very clear. When EDN members were asked to nominate the most valuable ways to improve research support for the discipline, the status quo ranked well down the list. Only 25 responses nominated funding more ARC research grants as the highest priority; 49 nominated funding visitor and collaboration programs; 35 nominated flexible conference and workshop programs; and 34 nominated the Winter School and PhD support.

Why has the EDN been so effective?

- It has a coherent but inclusive discipline focus
- Management has been efficient, flexible and responsive to the discipline
- It has demonstrated what can be achieved by cooperation across institutions
- It has encouraged an innovative, outward looking research culture
- It has placed an emphasis on mentoring, PhD training and helping the discipline to recruit and retain the best young researchers
- It has met genuine needs of the discipline that are not addressed by other ARC programs

#### 1.1.5.1 Recommendations

- 1 That the ARC should learn from this experience, and take steps to address the gaps that are evident in the ARC research support system, either through renewed funding of Research Networks or through similar programs
- 2 That steps be taken to minimise the loss of knowledge and human capital that will occur if the Research Network scheme is simply shut down. These include the loss of brand name and international reputation, the breakdown of communication and collaboration networks that have been built up, and the loss of project management skills, knowledge and infrastructure (including custom built software). Networks should be asked to nominate the minimal investment required to maintain these assets
- 3 That some interim funding be provided to allow Networks to continue activities whose value is so evident that it is almost certain that the ARC will want to support them. In the case of the EDN, the annual Winter School would fall into this category. Each Network should be asked to nominate one or two such activities.



Peter Bardsley  
ARC Economic Design Network Convener

## 1.2 Board Members



Peter Bardsley  
Network Convenor



Flavio Menezes  
University of Queensland  
Representative



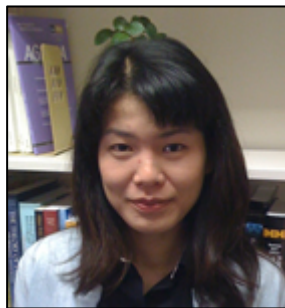
Elizabeth Savage  
Member  
Representative



Simon Loertscher  
University of Melbourne  
Representative



Abhijit Sengupta  
University of Sydney  
Representative



Tina Kao  
ANU Representative



Matthew Ryan  
University of Auckland  
Representative



Tatyana Chesnokova  
Early Career  
Representative



Ralph Bayer  
Member  
Representative



Stuart Whitten  
CSIRO  
Representative



Ingrid Burfurd  
Policy Professional  
Representative



Hodaka Morita  
University of NSW  
Representative

## 1.3 Performance Indicators

In this section we summarise aspects of Network performance in terms of a number of performance indicators.

### 1.3.1 Membership and Membership Growth

We regard the steady growth in membership as an important performance indicator. The number of members has grown from 120 in 2005 to 278 at the end of 2008.

	End 2005	End 2006	End 2007	End 2008
<b>Members</b>	120	158	226	278

**Table 1: Individual Members.**

The diversity of membership is a valuable indicator of the international connectedness fostered by the Network.

Country	Total end 2006	Total end 2007	Total end 2008	Early career researchers end 2008	Government affiliated members end 2008
Australia	101	151	189	79	28
Africa	0	0	1	1	1
Belgium	0	1	0	0	0
Canada	3	3	3	0	0
France	0	1	1	1	0
Germany	3	2	2	0	0
Guatemala	0	0	1	1	0
Hong Kong	1	1	1	0	0
India	0	0	2	1	1
Italy	3	2	2	1	0
Japan	0	1	1	1	0
Mexico	0	1	1	1	0
Middle East	0	0	1	1	1
Nepal	1	1	1	0	0
Netherlands	2	3	4	2	0
New Zealand	18	25	27	13	2
Philippines	1	1	1	1	0
Russia	0	1	1	0	0
Singapore	2	2	2	0	0
Spain	0	0	2	0	0
Switzerland	1	1	1	0	0
Taiwan	1	1	1	0	0

UK	5	5	3	1	1
USA	16	23	28	8	0
<b>Total No. of Members</b>	<b>158</b>	<b>226</b>	<b>278</b>	<b>112</b>	<b>34</b>

**Table 2: Individual Members by Country, Including Early Career Researchers and Government Affiliated Members at End 2008**

<b>Institutional Members</b>	<b>end 2005</b>	<b>end 2006</b>	<b>end 2007</b>	<b>end 2008</b>
Full Financial Participating Institutions	8	9	9	9
Affiliated Institutions	10	11	11	12

**Table 3: Participating and Affiliated Institutions.**

The full Register of Participants and Institutional Participants is given in the Appendix.

### 1.3.2 Academic Quality and Impact of Network Participants

The EDN believes that not only the number but the quality of the membership is important.

We have assessed the quality of members by the quality of their home department, by the number and quality of their publications, and by the number of ARC grants they were awarded. Quality of institutions and publications is assessed using the international standard Kalaitzidakis metric, used universally in economics, which takes into account the number of pages published, adjusted for journal quality and impact.

<b>World Rank of Institution</b>	<b>EDN Members (Number) End 2007</b>	<b>EDN Members (Number) End 2008</b>
Top Fifty	10	8
Top Hundred	55	67
Top One Hundred & Fifty	27	39
<b>Total</b>	<b>92</b>	<b>114</b>

**Table 4: Quality of EDN members: Rank of Institution (end of 2008).**

<b>World Rank of Journal</b>	<b>Publications 2005</b>	<b>Publications 2006</b>	<b>Publications 2007</b>	<b>Publications 2008</b>
Top Ten	12	3	11	3
Top Twenty	18	13	28	11
Top Fifty	21	24	54	16
Top Hundred	7	14	68	23
<b>Total</b>	<b>58</b>	<b>54</b>	<b>161</b>	<b>53</b>

**Table 5: Quality of EDN Members: Quality of Publications by EDN Members**

<b>Type of Grant</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
ARC Grant	9	12	12
ARC Linkage Grant	4	10	4

**Table 6: Quality of EDN members: ARC Grants**

### 1.3.3 Quality of Academic Visitors Supported by the Network

The Visitor Program is arguably the most visible and important Network activity. Linking academics and policy professionals into the world scene at the very highest level is in some ways our core business.

As an indication of the outstanding calibre of the visitors hosted by the EDN, the following table lists visitor affiliations, classified by their position in the world ranking of economics departments.

<b>World Rank of Home Institution</b>	<b>Visitors 2006</b>	<b>Visitors 2007</b>	<b>Visitors 2008</b>
Top Ten	4	15	4
Top Twenty	1	2	6
Top Fifty	4	8	15
Top Hundred	5	19	15
Government or Industry Affiliation	2	3	3
<b>Total</b>	<b>16</b>	<b>47</b>	<b>43</b>

**Table 7: Quality of EDN Visitor Program.**

### 1.3.4 EDN Working Papers

The latter part of 2007 saw the establishment of the EDN working papers series, which is hosted online by the Social Sciences Research Network (SSRN). Since the set up of this series, thirteen working papers have been submitted by EDN members as at the end of 2008.

<b>Year</b>	<b>No. Working Papers</b>
2007	8
2008	14

**Table 8: No of working papers at end of year.**

## 1.3.5 Range and Quality of Projects Supported

### 1.3.5.1 2008 Projects Participation

Below is a summary table of all projects for 2008 and the number of participants involved, including those that received funding assistance by the EDN.

Key

\*ECR assist and PhD assist

1 –Yes

0 – No

Year	Projects Type	Activity Title	Participants	Funded Key Participants	*ECR assist	*PhD assist	Involved govt
2008			696	124	9	10	16
	<b>Academic Collaboration Projects</b>		40	13	1	0	1
		ANU	2	2	0	0	0
		UNSW	10	5	0	0	0
		Melbourne	2	0	1	0	0
		Melbourne - India	6	6	0	0	1
		Auckland	20	0	0	0	0
	<b>Communication</b>		55		0	0	1
		ASSA Reception	55		0	0	1
		Web					
		Network Communication					
	<b>Conference Sponsorship</b>		140	11	1	2	1
		ESAM 08	100	10	1	1	1
		Pan-Pacific Conference on Game Theory	40	1	0	1	0
		ESAM 09 (Funding Advance)					
	<b>PhD Travel Grant Programs</b>		30	0	1	2	1
		University of Auckland	1	0	0	1	0
		Winter School	29	0	1	1	1
	<b>Policy Round Tables</b>		30	3	0	0	1
		Emissions Trading Design Workshop	30	3	0	0	1
		Climate Change Workshop					
		Auctioning Greenhouse Gas Permits, UNSW (retrospective finance)					
	<b>Research Workshops</b>		253	27	5	5	5
		WMD2008, Melbourne	41	3	1	1	1
		Managing Selection Analysis of Eco Outcomes*	21	4	1	1	0
		Summer Workshop in Exp Eco, Auckland	20	1	1	1	0
		Intro to Exp Eco, CSIRO	15	0	1	1	1
		26th AETW	50	5	0	0	1
		Behavioural and Exp Eco Workshop, Monash	41	2	1	1	1
		2nd Annual Organizational Eco Workshop	37	4	0	0	1
		3rd Australian Workshop on Exp Eco	28	8	0	0	0
	<b>Training Workshops</b>		52	0	0	0	2
		Contracts & Incentives VPS	25	0	0	0	1
		Single Unit Private Value Auctions III, VPS	27	0	0	0	1
	<b>Visitor Programs</b>		68	68	0	0	3
		ANU	5	5	0	0	0
		CSIRO	4	4	0	0	1
		UNSW	10	10	0	0	0
		Bond University	1	1	0	0	0
		Melbourne	35	35			1
		UQ	1	1	0	0	0
		Auckland	12	12	0	0	1
		Auckland 2007 (retrospective finance)					
		CSIRO 2007 (retrospective finance)					
	<b>Winter School</b>		28	2	1	1	1
		Money & Pricing	28	2	1	1	1
	<b>GRAND TOTAL</b>		696	124	9	10	16

Table 9: 2008 Projects Participation

### 1.3.5.2 2008 Projects - Funding Sources \$

Below is a summary table of all projects for 2008, specifying the EDN (ARC) and EDN (MC – Member Contribution) contributions for each project in dollars (\$).

EDN ARC\$ and EDN (MC - Member Contribution)\$ calculated from the total EDN Contribution

EDN Contribution = Carried Forward(from 2007) + Allocated Funds(funds given in 2008) - To Carry Forward(funds to carry into 2009)

Year	Projects Type	Activity Title	EDN contribution	EDN (ARC)\$	EDN (MC)\$	Co-funding	Total Funding
2008			591,852	485,319	106,533	441,202	1,033,054
	<b>Academic Collaboration Projects</b>		<b>51,722</b>	<b>42,412</b>	<b>9,310</b>	<b>4,100</b>	<b>55,822</b>
		ANU	3,535	2,899	636	2,500	6,035
		UNSW	27,800	22,796	5,004		27,800
		Melbourne	4,000	3,280	720	100	4,100
		Melbourne - India	14,337	11,756	2,581		14,337
		Auckland	2,050	1,681	369	1,500	3,550
	<b>Administration</b>		<b>101,061</b>	<b>82,870</b>	<b>18,191</b>		<b>101,061</b>
		Other	15,440	12,661	2,779		15,440
		Salaries	85,621	70,209	15,412		85,621
	<b>Communication</b>		<b>71,919</b>	<b>58,974</b>	<b>12,945</b>		<b>71,919</b>
		ASSA Reception	6,107	5,008	1,099		6,107
		Web	39,487	32,379	7,108		39,487
		Network Communication	26,325	21,587	4,739		26,325
	<b>Conference Sponsorship</b>		<b>64,000</b>	<b>52,480</b>	<b>11,520</b>	<b>18,000</b>	<b>82,000</b>
		ESAM 08	35,000	28,700	6,300	9,600	44,600
		Pan-Pacific Conference on Game Theory	9,000	7,380	1,620	8,400	17,400
		ESAM 09 (Funding Advance)	20,000	16,400	3,600		20,000
	<b>PhD Travel Grant Programs</b>		<b>21,810</b>	<b>17,884</b>	<b>3,926</b>	<b>5,000</b>	<b>26,810</b>
		University of Auckland	2,423	1,987	436	5,000	7,423
		Winter School	19,387	15,897	3,490		19,387
	<b>Policy Round Tables</b>		<b>15,840</b>	<b>12,989</b>	<b>2,851</b>		<b>15,840</b>
		Emissions Trading Design Workshop	13,636	11,182	2,454		13,636
		Climate Change Workshop	2,204	1,807	397		2,204
		Auctioning Greenhouse Gas Permits, UNSW (retrospective finance)					
	<b>Research Workshops</b>		<b>58,027</b>	<b>47,582</b>	<b>10,445</b>	<b>325,798</b>	<b>383,825</b>
		WMD2008, Melbourne	10,000	8,200	1,800	20,000	30,000
		Managing Selection Analysis of Eco Outcomes*	-	0	0	5,492	5,492
		Summer Workshop in Exp Eco, Auckland	6,765	5,547	1,218	3,347	10,112
		Intro to Exp Eco, CSIRO	1,818	1,491	327	254,870	256,688
		26th AETW	6,600	5,412	1,188	5,090	11,690
		Behavioural and Exp Eco Workshop, Monash	5,659	4,640	1,019	15,795	21,454
		2nd Annual Organizational Eco Workshop	18,353	15,049	3,304	21,204	39,557
		3rd Australian Workshop on Exp Eco	8,832	7,242	1,590		8,832
	<b>Training Workshops</b>		<b>6,526</b>	<b>5,351</b>	<b>1,175</b>		<b>6,526</b>
		Contracts & Incentives VPS	3,263	2,676	587		3,263
		Single Unit Private Value Auctions III, VPS	3,263	2,676	587		3,263
	<b>Visitor Programs</b>		<b>127,357</b>	<b>104,433</b>	<b>22,924</b>	<b>88,304</b>	<b>215,661</b>
		ANU	21,871	17,934	3,937	12,500	34,371
		CSIRO	13,500	11,070	2,430	10,000	23,500
		UNSW	30,859	25,304	5,555	6,442	37,301
		Bond University	1,400	1,148	252	2,362	3,762
		Melbourne	26,877	22,039	4,838		26,877
		UQ	7,000	5,740	1,260	5,000	12,000
		Auckland	25,850	21,197	4,653	52,000	77,850
		Auckland 2007 (retrospective finance)					
		CSIRO 2007 (retrospective finance)					
	<b>Winter School</b>		<b>73,590</b>	<b>60,344</b>	<b>13,246</b>		<b>73,590</b>
		Money & Pricing	73,590	60,344	13,246		73,590
	<b>GRAND TOTAL</b>		<b>591,852</b>	<b>485,319</b>	<b>106,533</b>	<b>441,202</b>	<b>1,033,054</b>

Table 10: 2008 Projects - Funding Sources \$

### 1.3.5.3 2008 Projects - Funding Sources %

Below is a summary table of all projects for 2008, specifying the EDN (ARC) and EDN (MC – Member Contribution) contributions for each project by percentage (%).

EDN ARC% and EDN (MC - Member Contribution)% calculated from the total EDN Contribution

EDN Contribution = Carried Forward (from 2007) + Allocated Funds (funds given in 2008) - To Carry Forward (funds to carry into 2009)

Year	Projects Type	Activity Title	EDN(ARC)%	EDN(MC)%	Co-funding%	Total Funding%
2008			47	10	43	100
	<b>Academic Collaboration Projects</b>		<b>76</b>	<b>17</b>	<b>7</b>	<b>100</b>
		ANU	48	11	41	100
		UNSW	82	18	0	100
		Melbourne	80	18	2	100
		Melbourne - India	82	18	0	100
		Auckland	47	10	42	100
	<b>Administration</b>		<b>82</b>	<b>18</b>	<b>0</b>	<b>100</b>
		Other	82	18	0	100
		Salaries	82	18	0	100
	<b>Communication</b>		<b>82</b>	<b>18</b>	<b>0</b>	<b>100</b>
		ASSA Reception	82	18	0	100
		Web	82	18	0	100
		Network Communication	82	18	0	100
	<b>Conference Sponsorship</b>		<b>64</b>	<b>14</b>	<b>22</b>	<b>100</b>
		ESAM 08	64	14	22	100
		Pan-Pacific Conference on Game Theory	42	9	48	100
		ESAM 09 [Funding Advance]	82	18	0	100
	<b>PhD Travel Grant Programs</b>		<b>67</b>	<b>15</b>	<b>19</b>	<b>100</b>
		University of Auckland	27	6	67	100
		Winter School	82	18	0	100
	<b>Policy Round Tables</b>		<b>82</b>	<b>18</b>	<b>0</b>	<b>100</b>
		Emissions Trading Design Workshop	82	18	0	100
		Climate Change Workshop	82	18	0	100
		Auctioning Greenhouse Gas Permits, UNSW (retrospective finance)				
	<b>Research Workshops</b>		<b>12</b>	<b>3</b>	<b>85</b>	<b>100</b>
		WMD2008, Melbourne	27	6	67	100
		Managing Selection Analysis of Eco Outcomes*	0	0	100	100
		Summer Workshop in Exp Eco, Auckland	55	12	33	100
		Intro to Exp Eco, CSIRO	1	0	99	100
		26th AETW	46	10	44	100
		Behavioural and Exp Eco Workshop, Monash	22	5	74	100
		2nd Annual Organizational Eco Workshop	38	8	54	100
		3rd Australian Workshop on Exp Eco	82	18	0	100
	<b>Training Workshops</b>		<b>82</b>	<b>18</b>	<b>0</b>	<b>100</b>
		Single Unit Private Value Auctions III, VPS	82	18	0	100
		Contracts & Incentives VPS	82	18	0	100
	<b>Visitor Programs</b>		<b>48</b>	<b>11</b>	<b>41</b>	<b>100</b>
		ANU	52	11	36	100
		CSIRO	47	10	43	100
		UNSW	68	15	17	100
		Bond University	31	7	63	100
		Melbourne	82	18	0	100
		UQ	48	11	42	100
		Auckland	27	6	67	100
	<b>Winter School</b>		<b>82</b>	<b>18</b>	<b>0</b>	<b>100</b>
		Money & Pricing	82	18	0	100
	<b>GRAND TOTAL</b>		<b>48</b>	<b>11</b>	<b>41</b>	<b>100</b>

Table 11: 2008 Projects - Funding Sources %

Below is a historical overview of all EDN projects by project types specifying the EDN (ARC) and EDN (MC – Member Contribution) contributions for each project by percentage (\$).

#### 1.3.5.4 Historical Overview - Project Funding Sources \$

EDN ARC\$ and EDN (MC - Member Contribution)\$ calculated from the total EDN Contribution

EDN Contribution = Carried Forward(from 2007) + Allocated Funds(funds given in 2008) - To Carry Forward(funds to carry into 2009)

Year	Projects Type	Projects	EDN(ARC)\$	EDN(MC)\$	Co-funding	Total Funding
<b>2005</b>		<b>10</b>	<b>144,885</b>	<b>25,568</b>	<b>5,416</b>	<b>175,869</b>
	Academic Collaboration Projects	1				
	Administration	4	102,056	18,010		120,065
	Communication	1	3,724	657		4,382
	Conference Sponsorship	1				
	Research Workshops	2	37,538	6,624	5,416	49,579
	Visitor Programs	1	1,567	276		1,843
<b>2006</b>		<b>24</b>	<b>329,719</b>	<b>77,342</b>	<b>216,645</b>	<b>623,706</b>
	Academic Collaboration Projects	2	15,989	3,751		19,740
	Administration	1	70,830	16,614		87,444
	Communication	3	36,678	8,603		45,281
	Conference Sponsorship	3	42,264	9,914	189,128	241,306
	PhD Travel Grant Programs	3	19,104	4,481		23,585
	Policy Round Tables	0				
	Research Workshops	5	34,613	8,119	27,517	70,249
	Training Workshops	1	11,497	2,697		14,194
	Visitor Programs	5	60,992	14,307		75,299
	Winter School	1	37,752	8,856		46,608
<b>2007</b>		<b>31</b>	<b>331,169</b>	<b>82,792</b>	<b>253,584</b>	<b>687,546</b>
	Academic Collaboration Projects	4	18,250	4,562	9,269	32,081
	Administration	2	67,840	16,960		84,800
	Communication	2	46,490	11,622		58,112
	Conference Sponsorship	3	11,086	2,771	171,763	185,620
	PhD Travel Grant Programs	3	13,278	3,320	5,100	21,698
	Policy Round Tables	2	30,642	7,660	4,000	42,302
	Research Workshops	5	31,567	7,892	45,736	85,195
	Training Workshops	3	5,820	1,455	5,102	12,377
	Visitor Programs	6	66,321	16,580	12,614	95,515
		Winter School	1	39,877	9,969	
<b>2008</b>		<b>34</b>	<b>468,919</b>	<b>102,933</b>	<b>441,202</b>	<b>1,013,054</b>
	Academic Collaboration Projects	5	42,412	9,310	4,100	55,822
	Administration	2	82,870	18,191		101,061
	Communication	3	58,974	12,945		71,919
	Conference Sponsorship	2	36,080	7,920	18,000	62,000
	PhD Travel Grant Programs	2	17,884	3,926	5,000	26,810
	Policy Round Tables	2	12,989	2,851		15,840
	Research Workshops	8	47,582	10,445	325,798	383,825
	Training Workshops	2	5,351	1,175		6,526
	Visitor Programs	7	104,433	22,924	88,304	215,661
		Winter School	1	60,344	13,246	
<b>Grand Total</b>		<b>99</b>	<b>1,274,692</b>	<b>288,635</b>	<b>916,847</b>	<b>2,480,174</b>

Project undertaken in 2005 but funding from 2006.

Projects funds carried into 2007 & project undertaken in 2007

Table 12: Historical Overview of EDN Projects - Funding Sources \$

### 1.3.5.5 Historical Overview - Project Funding Sources %

Below is a historical overview of all EDN projects by project types specifying the EDN (ARC) and EDN (MC – Member Contribution) contributions for each project by percentage (%).

EDN ARC% and EDN (Member Contribution) % calculated from the total EDN Contribution

EDN Contribution = Carried Forward (from 2007) + Allocated Funds (funds given in 2008) - To Carry Forward (funds to carry into 2009)

Year	Projects Type	Projects	EDN (ARC)%	EDN (MC)%	Co-funding%
<b>2005</b>		<b>10</b>	<b>82</b>	<b>14</b>	<b>4</b>
	Administration	4	85	15	0
	Communication	1	85	15	0
	Conference Sponsorship	1	0	0	0
	Research Workshops	3	73	13	14
	Visitor Programs	1	85	15	0
<b>2006</b>		<b>24</b>	<b>53</b>	<b>12</b>	<b>35</b>
	Academic Collaboration Projects	3	81	19	0
	Administration	1	81	19	0
	Communication	3	81	19	0
	Conference Sponsorship	3	18	4	78
	PhD Travel Grant Programs	3	81	19	0
	Policy Round Tables	0	0	0	0
	Research Workshops	4	50	12	38
	Training Workshops	1	81	19	0
	Visitor Programs	5	81	19	0
	Winter School	1	81	19	0
<b>2007</b>		<b>30</b>	<b>52</b>	<b>13</b>	<b>35</b>
	Academic Collaboration Projects	3	61	15	23
	Administration	2	80	20	0
	Communication	2	80	20	0
	Conference Sponsorship	3	6	1	93
	PhD Travel Grant Programs	3	61	15	24
	Policy Round Tables	2	75	19	6
	Research Workshops	5	37	9	54
	Training Workshops	3	47	12	41
	Visitor Programs	6	72	18	10
	Winter School	1	80	20	0
<b>2008</b>		<b>34</b>	<b>46</b>	<b>10</b>	<b>44</b>
	Academic Collaboration Projects	5	76	17	7
	Administration	2	82	18	0
	Communication	3	82	18	0
	Conference Sponsorship	2	58	13	29
	PhD Travel Grant Programs	2	67	15	19
	Policy Round Tables	2	82	18	0
	Research Workshops	8	12	3	85
	Training Workshops	2	82	18	0
	Visitor Programs	7	48	11	41
	Winter School	1	82	18	0

Project undertaken in 2005 but funding from 2006

Projects funds carried into 2007 & project undertaken in 2007

EDN ARC% and EDN (Member Contribution)% calculated from the total EDN Contribution

**Table 13: Historical Overview of EDN Projects - Funding Sources %**

### 1.3.6 Support for Early Career Researchers and PhD Students

The following table compares the number of travel grants given in 2006, 2007 and 2008 by location of the researchers or students. The support of PhD students and Early Career Researchers by the EDN has been increased each year as shown in the table.

Country	Australian State	No. of grants 2006	No. of grants 2007	No. of grants 2008
Australia	ACT	3	1	5
Australia	NSW	5	12	1
Australia	South Australia	4	2	
Australia	Victoria	1	7	17
Australia	WA		2	1
Australia	Queensland		1	
Germany		1		1
Israel		1		
Netherlands		1		
Japan			1	
New Zealand		2	2	4
USA		2	2	1
<b>Total Grants awarded</b>		<b>20</b>	<b>30</b>	<b>30</b>

**Table 14: Break-down of travel grants**

### 1.3.7 Capacity Building and Strengthening Links with Government

The following table lists EDN supported activities which were directed specifically at building links with government, or which attracted significant government participation.

Activity	Number
Conference Sponsorship	1
Research Workshops	5
Training workshops	2
Winter schools	1
Policy Round Tables	2

**Table 15: number of EDN activities with a component specifically targeted to building links with government, or which attracted significant government participation.**

### 1.3.8 Additional Funding Generated by the Network

This section refers to the relative amount of external funding received by the EDN for EDN supported activities or events. Such supporting funding may be from EDN member institutions or from other sources. In many cases these events would not have run but for the initiative of the EDN. As such, the ability to attract external funding is important in further enhancing organized activities.

<b>2005</b>	<b>Total Allocated \$</b>	<b>EDN (ARC) \$</b>	<b>EDN (Member) \$</b>	<b>Co-Funding \$</b>
Administration	120,065	102,056	18,010	0
Communication	4,382	3,724	657	0
Research Workshops	44,163	37,538	6,624	7,016
Visitors Programs	1,843	1,567	276	0
<b>2006</b>				
Academic Collaboration Projects	19,740	15,989	3,751	0
Administration	87,444	70,830	16,614	0
Communication	45,281	36,678	8,603	0
Conference Sponsorship	52,178	42,264	9,914	189,128
PhD Travel Grant Programs	23,585	19,104	4,481	0
Research Workshops	42,732	34,613	8,119	25,917
Training Workshops	14,194	11,497	2,697	0
Winter School	75,299	60,992	14,307	0
Visitors Programs	46,608	37,752	8,856	0
<b>2007</b>				
Academic Collaboration Projects	22,812	18,250	4,562	9,269
Administration	84,800	67,840	12,720	0
Communication	58,112	46,490	8,717	0
Conference Sponsorship	13,857	11,086	2,079	171,763
PhD Travel Grant Programs	16,598	13,278	2,490	5,100
Policy Round Tables	38,302	30,642	7,660	4,000
Research Workshops	39,459	31,567	5,919	45,736
Training Workshops	7,275	5,820	1,091	5,102
Visitors Programs	82,901	66,321	16,580	12,614
Winter School	49,846	39,877	9,969	0
<b>2008</b>				
Academic Collaboration Projects	51,722	42,412	9,310	4,100
Administration	101,061	82,870	18,191	0
Communication	71,919	58,974	12,945	0
Conference Sponsorship	44,000	36,080	7,920	18,000
PhD Travel Grant Programs	21,810	17,884	3,926	5,000
Policy Round Tables	43,840	35,949	7,891	0
Research Workshops	58,027	47,582	10,445	325,798
Training Workshops	6,526	5,351	1,175	0
Visitors Programs	138,458	113,536	24,922	88,304
Winter School	73,590	60,344	13,246	0

**Table 16: Additional funding generated by EDN activities**

### 1.3.9 Communication Effectiveness

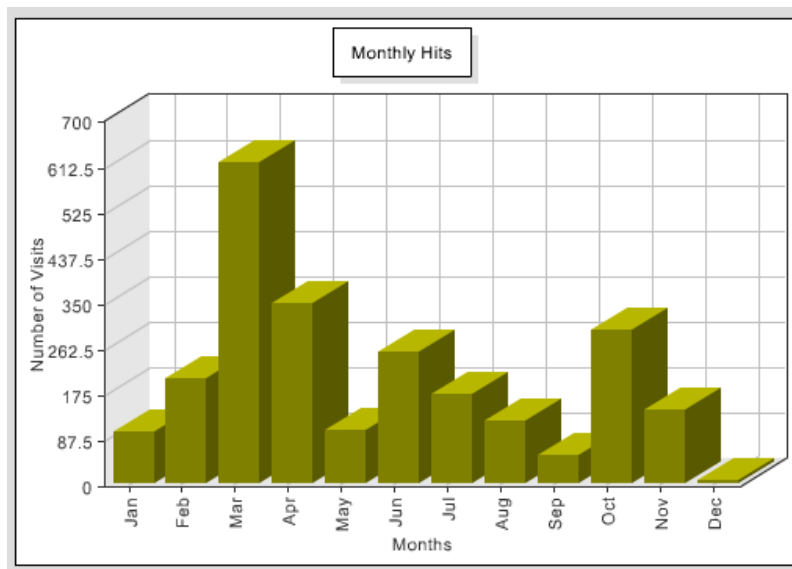
Table 17 shows the number of visits to the EDN website in 2008. "Visits" can be a single user who views possibly many pages within one session. The EDN website is quickly becoming the website of choice for providing a comprehensive overview of the Economic Design research community in Australia.

Month 07	No. of Visits	Month 08	No. of Visits
Jan-07	4583	Jan-08	5978
Feb-07	4378	Feb-08	7097
Mar-07	5394	Mar-08	6821
Apr-07	5405	Apr-08	7218
May-07	4822	May-08	8211
Jun-07	8094	Jun-08	11361
Jul-07	7695	Jul-08	10456
Aug-07	5609	Aug-08	11754
Sep-07	5408	Sep-08	5757
Oct-07	6934	Oct-08	6045
Nov-07	9257	Nov-08	4332
Dec-07	7242	Dec-08	3922
<b>Total</b>	<b>74,821</b>	<b>Total</b>	<b>88,952</b>

**Table 17: Number of visits to the EDN website in 2008**

**Figure 1: Comparison of Monthly Visits to the EDN website in 2008 from January to December.**

The figures below give statistics on visits to the EDN bulletin boards from – January 2008 to December 2008.



**Figure 2: Monthly visits to the EDN bulletin board**

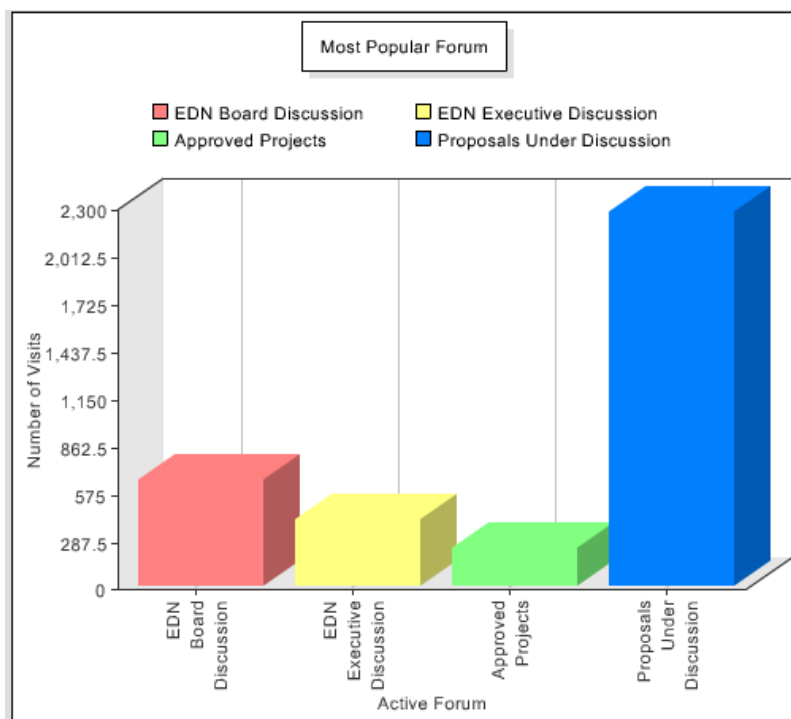


Figure 3: Most popular forums on the EDN bulletin board

## 2 Activities in Detail

### 2.1 Research and Scholarship

The Research and Scholarship Program aims to support regular and occasional conferences, and encourages members to organise workshops with relevant economic design themes to foster research. This program also supports academic collaborative projects.

The main achievements of this program in 2008 are listed below.

#### 2.1.1 Conference Sponsorship

##### 2.1.1.1 PPCGT: The 5<sup>th</sup> Pan-Pacific Conference on Game Theory

###### Venue

The University of Auckland, NZ, 19-21 November 2008

###### Website

<http://comecon.eco.auckland.ac.nz/ppcgt/>

###### Purpose

To host a conference on game theory with 4 invited speakers plus contributed paper sessions. The invited speakers will be: Professor Simon Grant (Rice), Professor Andy McLennan (The University of Queensland), Professor In-Koo Cho (University of Illinois at Urbana-Champaign), and Professor Jeroen Swinkels (Washington University in St. Louis).



*Pan-Pacific Conference in Game Theory participants*

### **Outcomes**

The conference was a great success with around 40 participants, including 4 plenary speakers and 4 PhD student presenters. A Panel Discussion was held on the last day, to debate the future direction of the field.

Presentations were made by the four invited speakers over the three days of the conference as well as 25 contributed papers presented with four sessions held each day. There were papers presented by EDN members and some of the sessions were chaired by different members of the EDN.

This is the first time that the PPCGT has been held outside East Asia. Its founder and a 2007 EDN Visitor to Auckland, Professor Mamoru Kaneko, suggested that Auckland host this event, its 5th instalment. The conference has therefore boosted our profile in the region. The contacts established through the conference will be very valuable to the local research community. (For example, one of the local organisers, Dr Matthew Ryan, has since been asked to serve on the Programme Committee of the Logic, Game Theory and Social Choice Conference to be held in Japan in 2009.) Hosting the PPCGT has considerably improved our linkages with game theorists in the Asia-Pacific region. For many, it was their first visit to Australasia.

Travel assistance was granted to 4 PhD students (or very recent graduates) to present papers at the conference. In addition, two talented local economics students with an interest in PhD study were employed as assistants at the conference and attended most of the sessions.

The offer to host the PPCGT came from its founder, Professor Mamoru Kaneko, after he visited Auckland in 2007 as an EDN Visitor

### **EDN Contribution**

The EDN contributed \$9,000 to this conference with \$8,400 co-funding from the University of Auckland.

### **2.1.1.2 ESAM08: The Australasian Meeting of the Econometric Society**

#### **Venue**

Wellington, NZ, 9 – 11 Jul 2008

#### **Website**

<http://www.esam08.org.nz/>

#### **Purpose**

To fund speakers for specialized invited sessions in theory at the 2008 Australasian Meeting of the Econometric Society. Participants will be exposed to the latest research, and because the sessions are not keynote, will have more opportunity for one on one interactions. The potential exists for collaboration or at least exposure of local theorist's work to these people.

The presence of top researchers in the region will be of benefit through invited seminars at local institutions.

### **Outcomes**

The EDN Special Theory Sessions at ESAM08 had eight sessions which brought together scholars from around the world in diverse areas of microeconomic theory. It consisted of: Two game theory sessions, theoretical and applied; International Trade; Experimental Economics; Law and Economics; Firm Behaviour; The Macroeconomics of Financial Markets, and Organizational Design. There were a total of 24 speakers with nearly half of these scholars invited from leading international institutions.

The complete list of speakers sponsored by the ARC Economic Design Network was:

Dr David Abrams, University of Chicago Law School  
Professor Eric Bond, Department of Economics, Vanderbilt University  
Professor Bernard Cornet, Paris School of Economics  
Professor Enrique Fatas, LINEEX - University of Valencia  
Dr Sven Feldmann, Melbourne Business School  
Professor Simon Gaechter, CeDEx, University of Nottingham  
Professor Andy McLennan, University of Queensland  
Professor Andrea Pataconi, Department of Economics, Oxford University  
Professor Heikki Rantakari, USC Marshall School of Business  
Professor Karmal Saggi, Department of Economics, Southern Methodist University  
Nina Walton, Department of Economics, UCLA .

Session organizers and chairs were

- (I) Law and Economics; Rohan Pitchford University of Sydney
- (II) International Trade; Alan Woodland, University of Sydney
- (III) Organizational Design; Kieron Meagher, University of New South Wales
- (IV) Experimental Economics; Pablo Guillien, University of Sydney
- (V) Game Theory I; Rohan Pitchford, University of Sydney
- (VI) Game theory II; Andy McLennan, University of Queensland
- (VII) Macroeconomics of Financial Markets; Rabee Tourky, University of Queensland
- (VII) Firm Behaviour; Rohan Pitchford, University of Sydney

Each session's average audience was around 15 people, so that the program brought together around 100 researchers. The organizers of ESAM08 contributed approximately 30 percent co-funding of the sessions in the form of forgiveness of conference fees. To highlight the quality of the sessions it should be noted that our invitee, Assistant Professor Nina Walton of UCSD Law, was awarded the Jan Whitwell prize for best presentation at the conference.

### **EDN Contribution**

The EDN contributed \$35,000 to this conference, with a total of \$9,600 co-funding from NZIER.

## **2.1.2 Research Workshops**

### **2.1.2.1 First Summer Workshop on Experimental Economics & Social Sciences**

#### **Venue**

University of Auckland, 16 – 17 Jan 2008.

#### **Purpose**

To host a mini (two day) workshop in experimental and behavioural economics, with presenters from Australia, New Zealand and the United States.

The workshop aims at bringing together economists from Australia and New Zealand working in the field of experimental economics, but also aims to raise awareness about experimental methods in economics.

Keynote speaker Professor Schotter (New York University) is a leading name in experimental economics and his work spans a number of areas. He is also a past president of the Experimental Economics Association. This will provide an opportunity for experimental researchers in this part of the world to get feedback on their work from a leading figure in the area. It might also enable the establishment of research collaborations for the future.

#### **Outcomes**

Six sessions ran during the workshop which included presentations by a number of EDN members as well as a keynote address by Professor Schotter (New York University).

The attendees at the conference, which involved 20 participants, were in unanimous agreement that the conference was a success. The main aim was to bring together experimental researchers (including a number of early career researchers and Ph.D. students) in the area and to allow them an opportunity to present their work and receive high quality feedback. All presenters were given ample time to present their research and received detailed and thoughtful feedback on their work. It also allowed people working on experimental topics in this part of the world to meet one another, which will very likely lead to increased collaboration in the future.

The conference afforded the presenters, including Ph.D. students and early career researchers, an opportunity to present their research in front of a discerning audience including Professor Schotter. Most presenters received detailed and thoughtful feedback on their presentations. There was also a lot of opportunity for informal conversations which allowed the participants to discuss ideas and identify areas for future collaboration.

Other presenters had similar experiences as well where their work received excellent feedback and provided ideas and directions for further research. We also included a number of researchers - theorists and empirical economists - who are not currently involved in experiments. The conference exposed these researchers to the methodology of experiments. Many of them found the papers presented to be of significant interest.

Highlights of the event include:

The keynote speech by Andrew Schotter of New York University looked at the role of language in game theoretic models of learning.

A presentation by Linda Cameron of the Department of Psychology, University of Auckland (joint work with Paul Brown of the University of Auckland Medical School) looked at determinants of the demand for genetic testing. This was an excellent example of inter-disciplinary work showing how insights from experimental economics can influence research in other areas and how insights from other disciplines can inform research in experimental economics.

The papers presented at the conference covered a diverse array of topics, including experiments in: (1) social dilemmas; (2) trust; (3) micro-finance organizations; (4) learning; (5) gender differences in economic behaviour.

## **EDN Contribution**

The EDN contributed \$6,765 with additional funding from the University of Auckland of \$3,347.

### **2.1.2.2 Australian Agricultural and Resource Economics Society 52<sup>nd</sup> Annual Conference: An Introduction to Experimental Economics for Environmental and Resource Economics**

#### **Venue**

Rydges Lakeside, Canberra, 5 – 8 Feb 2008.

#### **Website**

**<http://www.alloccasionsgroup.com/AARES08-Papers>**

#### **Purpose**

The workshop was scheduled as part of the Australian Agricultural and Resource Economics Society 52<sup>nd</sup> Annual Conference. The aim was to raise awareness and knowledge of experimental economics, and to demonstrate how the experimental approach can be used to address a wide range of environmental and resource economics issues.

#### **Outcomes**

The workshop consisted of three sessions combining experimental economics theory and hands-on demonstrations of various market institutions using the experimental software developed by the Aton Experimental Economics Lab. The objective of the workshop was to introduce the discipline of experimental economics and demonstrate its utility as a research tool for environmental and resource economics. An introductory session presented basic concepts and simple experiments of Posted Offers and Double Auctions. A second session covered issues of Market Behaviour and Human Behavioural Anomalies illustrated by Resale, Penalty and Delay experiments and a Final session developed concepts of Smart Markets and Combinatorial Auctions, exemplified by two experiments - one focused on electricity markets and the other in landscape connectivity.

The workshop was designed for 16 participants. The final mixture of attendants included 4 postgraduate students, 6 State Government Officers, 3 Federal Government Officers, 2 researchers and 1 consultant. Two of the participants were not Australian residents and arrived from South Africa and USA.

The participant's evaluation of the workshop was consistently positive. The opinions expressed by the attendants emphasized 1) the capacity and expertise of the staff to effectively communicate experimental economics concepts to audience with diverse backgrounds; 2) the quality of the instrumental set up and of the experimental economic software developed by Aton Experimental Economic Labs; and 3) The right combination of experimental economics problems covering the areas of interest of various participants.

From discussions with the attendants it was clear that the twin objectives of creating awareness of experimental economics as a discipline, and as a tool suitable to inform policy, were both achieved. Both Federal and State Government Officers considered the workshop to be very informative, emphasizing the benefits of the approach in comparison with the development of pilot tests, and the capacity of the tool to promote dialogue and consultation for policy making. Some of the attendants were already informed before the workshop about the applicability of experimental economics and made questions/comments based on real life problems or situations in which they are currently or potentially involved. A diverse range of students showed interest in incorporating experimental economic issues, and the use of the software, as part of their PhD dissertations.

Due to the high level of demand for capacity building activities in experimental economics, the organizers will run a subsequent workshop at the University of Sydney in April.

### **EDN Contribution**

The EDN contributed \$1,818 for the workshop with co-funding of \$254,870 for the conference.

#### **2.1.2.3 AETW08: The 26<sup>th</sup> Australasian Economic Theory Workshop**

##### **Venue**

Bond University, 9 - 10 Feb 2008.

##### **Website**

<http://www.bond.edu.au/aetw>

##### **Purpose**

The Australasian Economic Theory Workshop (AETW) is an annual meeting of economic theorists in the Australasian region that provides a forum for presenting, discussing, and exchanging ideas in Economic Theory, and fosters collaborative projects among Australasian researchers. The workshop also benefits from the presence of distinguished international researchers in the field and contributes to raising the profile of Australasian researchers at the international level.

##### **Outcomes**

About fifty economic theorists from around the world attended Bond University for the workshop.

The participants were welcomed on Saturday morning by Professor Garry Marchant, Dean of the Faculty of Business, Technology, and Sustainable Development at Bond University. Bond academics Jeff Kline, Shravan Luckraz and Neil Campbell hosted two days of presentations.

The conference was a huge success with numerous collaborative efforts emerging and others continuing to grow. These types of events are essential for bringing together the latest ideas in economic theory. They also provide adequate time for participants to debate these ideas and to refine their knowledge.

The Workshop consisted of presentations by 32 speakers on recent research results covering a variety of topics in economic theory from the quantity theory of money to the latest developments in microeconomics and game theory. Some presenters gave polished work while others took the opportunity to present new and challenging works in progress. After each presentation, a discussant provided a short prepared critique of the research. This was followed by questions and discussions involving other participants. The overall feel was one of excitement, enjoyment, intellectual curiosity, and accomplishment.

The list of delegates included speakers from Brazil, Japan, England, the United States, Canada, Germany, Switzerland, Australia and New Zealand.

Funding was provided for the following invited speakers:

- Norman Foo (UNSW) - Admissibility of Partial Orders on Experience Sequences
- Dong mo Zhang (UWS) - A Logical Solution to Ordinal Bargaining
- Leandro Rego (Federal University of Pernambuco) - Generalised Solution Concepts in Games with Possibly Unaware Players
- Mamoru Kaneko (Tsukuba) - A Simulation Study of Learning: Mike's Bike's Commuting
- Simon Grant (Rice) - Unawareness in an Extensive Game "I'm Aware, I Think You're Aware, But What if I Don't Think You Think I'm (Fully) Aware."

### **EDN Contribution**

Funding of \$6,600 was provided by the EDN, with additional funding of \$5090 from Bond University School of Business and the Business GC of the Gold Coast City Council.

#### **2.1.2.4 Behavioural and Experimental Economics Workshop**

##### **Venue**

Monash University, 2 – 3 Jun 2008.

##### **Website**

**<http://pluto.ecom.unimelb.edu.au/BehaviouralEconomicsWorkshop/index.cfm>**

##### **Purpose**

The major purpose of the workshop is to give a platform to researchers in Australia and New Zealand to present their work and receive feedback from colleagues. This platform would allow for the improvement of papers and hopefully place them at a competitive level to appear in international journals.

Another purpose is to expose PhD students in Australia and New Zealand to take part in the new budding field of behavioural economics and how experimental methods can further such interest. This would allow students to decide on topics and be exposed to the latest developments and controversies in the field.

##### **Outcomes**

Over 40 participants were involved with a total of 10 papers presented. Two PhD students presented their work (core to their thesis) in a special poster session, with two early career researchers also presenting their papers.

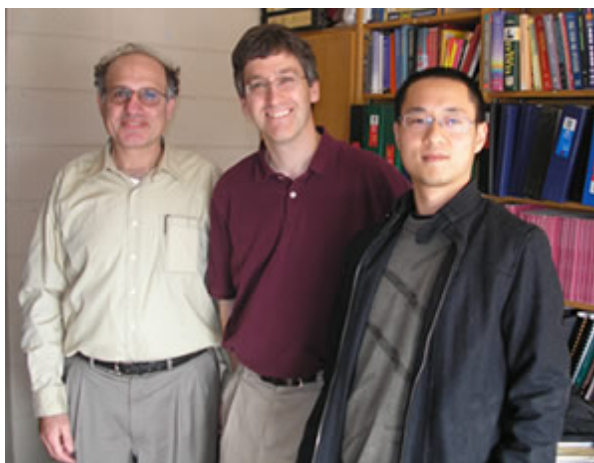
Each paper was given a full hour of consideration and elicited intense discussion and debate. By the criteria of attendance and debate, we had a great success.

The highlights consisted of the following:

1. The paper of keynote speaker, Ted O'Donoghue, highlighted how agents behave differently with regard to storing goods, depending on whether they are aware, and in control, of their hyperbolic discounting, or whether they are naive about such discounting. The debate highlighted that the issue of types cannot be corrected by learning or experience.
2. The paper of keynote speaker, Botond Koszegi, drew intense interest. He admitted that one failing of the behavioural economics literature is the ad hoc creation of tastes, such as present-bias preferences and especially reference-dependent utility. He proposed a model in which the reference point is no longer arbitrary, but rather endogenously determined by one's feasible aspiration.
3. The paper by Ian McDonald drew attention to extension of insights of behavioural economics into macroeconomics to account for unemployment persistence.
4. The paper by Kwang Ng on happiness invoked intense discussion on the nature of welfare and whether traditional economic analysis can handle happiness. Ng proposed controversial policies on how the social planner can enhance happiness with minimal cost.

##### **EDN Contribution**

The EDN contributed \$5,000 to the workshop with co-funding sponsorship of \$15,795 from the Department of Economics at Monash University.



*Elias Khalil (Monash Uni), Ted O'Donoghue (Cornell Uni), Zhou Haiou (PhD student – Monash Uni)*

#### **2.1.2.5 WMD08: Workshop in Macroeconomic Dynamics**

##### **Venue**

University of Melbourne, 2 – 4 July 2008.

##### **Website**

**<http://www.economics.unimelb.edu.au/SITE/MacroCentre/wmd08.shtml>**

##### **Purpose**

WMD2008 is an Australasian annual meeting of economic theorists whose interest focuses on economic dynamics. It is patterned along the well known Society of Economic Dynamics annual conference. At the inception in 2006, it benefited from important contributions by renowned economic theorists such as David K. Levine, Michele Boldrin and Diego Restuccia. In 2007, we had Roger Farmer, Thomas Lubik, and Bruce Preston as keynote speakers. The forum has seen active participation from international academics from Spain, Japan, Singapore, the US, Canada. We also had participants from policy institutions such as the US Federal Reserve who contributed a theoretical view applicable to economic policy design. The workshop will run for two days and will retain the tradition of a single session in which all participants can take part. The Keynote speakers are Randall Wright (University of Pennsylvania) and Stephen Turnovsky (University of Washington) who are both outstanding researchers who are well-known internationally.

##### **Outcomes**

The Workshop was a great success, achieving its central purpose of bringing together researchers in macroeconomics from across Australasia, and the rest of the world, to share results and expose postgraduate students to the cutting edge of the discipline.

The WMD is a relatively new workshop, with the event being only the 3rd in the series, and it benefitted greatly from the EDN's involvement. The success of this event has strengthened the WMD significantly, and the EDN is seen as a key contributor to this success.

The event included three keynote speakers: Professor Randall Wright (University of Pennsylvania), Professor Stephen Turnovsky (University of Washington), and Associate Professor Mark Wright (University of California - Los Angeles). Fourteen other presentations were made in a lively and interactive environment.

The presence of well-known international speakers provided an invaluable opportunity for researchers in the region to discuss their work with experts in the field. They engaged in several activities, such as providing keynote lectures at the workshop, acting as discussants of other papers presented, and engaging in discussions with other participants.

All of the papers that were presented in the workshop analysed macroeconomies. The knowledge gained about how macroeconomies work should, in principle, lead to the design of more effective public policies. Moreover, most of the papers also examined policy questions explicitly, to identify how best to design them. The workshop linked innovative researchers from around the world, including participants from Australia, New Zealand, Germany, Italy, and the USA. Participants included academics, students, and members of the government and private sectors. Each of the papers in the workshop expanded the frontiers of macroeconomic research, and exposed both students and early career researchers to work being at the cutting edge of the profession. In particular, 14 postgraduate students and 8 early career researchers were involved as participants. The opportunity to network, both in the formal sessions themselves, and in the informal social events, has created new links and thereby expanded research capacity.

A total of 41 participants were involved in the workshop. In particular, many PhD students from several universities across Australia, New Zealand and abroad, attended this workshop and were encouraged to ask questions and make comments throughout. Similarly, early career researchers were very well represented among the participants - both as presenters and in the more general discussions in the audience.

### **EDN Contribution**

The EDN contributed \$10,000 with \$20,000 of additional funding from the Department of Economics and the Centre for Macroeconomics at the University of Melbourne, the Reserve Bank of Australia, and the Australian Treasury.

### **2.1.2.6 Managing Selection in the Analysis of Economic Outcomes**

#### **Venue**

University of South Australia, 28 – 29 July 2008.

#### **Website**

**<http://www.unisa.edu.au/crma/msworkshop.asp>**

#### **Purpose**

To host a two-day workshop that will bring together economists and other social scientists working in theoretical or applied settings where individuals' selection into small groups or social partnerships is a precursor to the attainment of social or economic outcomes. In particular, the workshop's focus will be on developing an integrated understanding of settings in which the social context itself may be an input into the attainment of outcomes, and may operate differently depending on the strength of selection. Each of the fields included in the workshop brings a different approach to handling selection, and the workshop program is designed to allow researchers facing a similar behavioural phenomenon to combine their different ideas in the hope of generating novel approaches to modelling context-sensitive outcomes in selected environments.

#### **Outcomes**

The 21 participants in the workshop hailed from many different subfields of economics: network theory, experimental economics, microeconometrics, and applied microeconomics. The workshop environment was collegial and intellectually stimulating. Presentation sessions featured many questions from the audience, and many exchanges during the presentations and informal gatherings showed evidence of delegates making conceptual and practical links between presentations and hence across subfields. On the basis of these observations we believe that the main purpose of the workshop was achieved.

The mini-workshops, each led by a field specialist, about how selection is approached in different economic subfields were probably the main highlights of the event. They introduced participants to new areas of research and encouraged information and idea exchange about selection across subfields. Also, the participation of established scholars like Michael Keane, Frank Vella, Glenn Harison and Bruce Weinberg was extremely useful in generating

significant and high-quality feedback for early career researchers and PhD students. In addition, two PhD students presented papers.

A substantial fraction of delegates were from institutions outside Australia, allowing for formal and informal networking and sharing of ideas not only across subfields but also across institutions and research centres. Theorists participating in the workshop have now been exposed to the problems created by selection bias in applied research, as well as some of the solutions that have been tried and their strengths and weaknesses. Dr Marcin Peski and Dr Jose Neto-Rodrigues presented theoretical papers which tackle selection - a brand new area of research in economic theory. Simon Angus shared a detailed view of network theory and how selection is conceptualized and accommodated within network theory research; and Glenn Harrison introduced delegates, many of whom had not previously conducted research in experimental economics, to a variety of issues related to selection in experimental economics. The information gathered by scholars new to each of these fields will help the participants to go further and develop new, potentially cross-subfield research ideas regarding selection problems and their impact on economic outcomes, thereby expanding research capacity in economic design. Finally, the participation of several delegates close to Australian health policy facilitated several vibrant exchanges about the role and consequences of selection with regard to policymaking.

### **EDN Contribution**

There was \$5,492 of co-funding from the University of SA, the University of Adelaide, and a Research Grant.

### **2.1.2.7 The 2<sup>nd</sup> Annual Organizational Economics Workshop**

#### **Venue**

University of Sydney, 8 August 2008.

#### **Website**

**[http://www.econ.usyd.edu.au/economics/Organizational\\_Economics\\_Workshop/2nd\\_annual\\_organizational\\_economics\\_workshop](http://www.econ.usyd.edu.au/economics/Organizational_Economics_Workshop/2nd_annual_organizational_economics_workshop)**

#### **Purpose**

UNSW and the University of Sydney jointly held an international workshop on advances in theoretical and empirical organizational economics. International presenters include Esteban Rossi-Hansberg (Princeton University) and Wouter Dessein (GSB, University of Chicago). The focus of the workshop will be on the recent synthesis of theory and empirical work in economics dealing with organizational architecture, managerial decision making, ownership and contract theory.



*Presenter - Esteban Rossi-Hansberg*

## **Outcomes**

The focus of the workshop was on the recent synthesis of theory and empirical work in economics dealing with organizational architecture, managerial decision making, ownership and contract theory. We had a number of papers from both local and international presenters addressing important real world issues from organizational economics such as the link between growth and organization, organizational consequences of competition, and aspects of investment and knowledge management in organizations.

The workshop participants consisted of a good mixture of international researchers and both senior and junior local researchers (including a number of PhD students). This mix gave local participants the opportunity to hear work at the forefront of this emerging field and to present their own research to an expert audience.

Our two invited international presenters Esteban Rossi-Hansberg (Princeton University) and Wouter Dessein (GSB, University of Chicago). Both chose to present cutting edge research in organizational economics focussing on growth and competition respectively. Esteban's work on growth was especially exciting in showing the possibility for organizational economics to have a significant impact on key topics within the profession.

The second highlight was the quality and diversity of interaction. All of the senior participants were very generous in giving their time to discussing research with other conference participants. This collegiality and the increasing diversity of participants (this year we added ANU, Melbourne and QUT researchers to our list of participants) helped develop a growing feeling of community of practice in the field in Australia.

A number of junior researchers and PhD students attended (including some funded by EDN travel scholarships). These participants commented on the benefits they received both from the training they received through seeing cutting edge research presented and the important research connections they developed through conversations during the workshop's social events. One of the participants was Arlene Wong from the Reserve Bank of Australia. Following the deepening of the world financial crisis in September and October she approached Kieron Meagher about organizational aspects of the behaviour of financial institutions and a new policy-oriented research collaboration is developing in this area. This is just one example of how the workshop is helping develop new research capacity in the application of economic design techniques to important economics problems.

Given its focus, the workshop was relevant to both government and industry bodies. The Workshop was advertised to government, industry and consulting institutions. The workshop was attended by economists from both the public sector (from the RBA and the World Trade Organisation) and the private sector (Macquarie Bank).

EDN funding this year helped maximise attendance (and hence the development of a community of practice and research partnerships) through reducing the cost of attendance. There is no other meeting of this type held annually elsewhere in the world. By bringing together a diverse range of international and local researchers, it has made a significant contribution to fostering future research partnerships and collaboration.

This was the second workshop specifically targeted at fostering research and expertise in Australia in the application of economic design approaches to the design of organizations. This workshop series was initiated in 2007 thanks to the availability of EDN co-funding and it is well on its way to becoming an annual event. A joint ARC Discovery grant application between UNSW and University of Sydney researchers has developed from discussions at the conference.

## **EDN Contribution**

The EDN contributed \$18,353, with \$21,204 in co-funding from Faculty of Economics and Business Visiting Scholar Program, University of Sydney, Discipline of Economics, University of Sydney and Darlingtong Centre, University of Sydney.

### **2.1.2.8 The 3<sup>rd</sup> Australian Workshop on Experimental Economics.**

#### **Venue**

University of Melbourne, 14 - 15 August 2008.

#### **Website**

<http://www.economics.unimelb.edu.au/ExpEco/index.shtml>

#### **Purpose**

The University of Melbourne hosted the 3rd Australian Workshop on Experimental Economics in 2008, with presenters from Australia, New Zealand, the USA and the Netherlands. The Australian Workshop on Experimental Economics aims at bringing together economists from Australia and New Zealand working in the field of experimental economics, but also at raising awareness about experimental methods in Economics. The workshop will be partly attended by students of the University of Melbourne taking Experimental Economics.

#### **Outcomes**

Over the two days of the workshop there were 13 papers presented with many EDN members contributing to the workshop as well as chairing sessions. Keynote lectures were given by Charles Noussair from Tilburg University and Jim Cox from Georgia State University. Both are very well-known experimental economists.

The 3<sup>rd</sup> Australian Experimental Economics Workshop organized by the University of Melbourne took place on the 14<sup>th</sup> and 15<sup>th</sup> of August, 2008. As in the previous two years, it again attracted a lot of attention from local economists and had two well-known international speakers: Jim Cox from Georgia State University and Charles Noussair from Tilburg University. The workshop had 13 presenters, who expressed at the end of the workshop that they got really valuable feedback on their work. Several of them emphasized that the workshop should become a regular event in the region and that they would be interested in hosting it in their own institution in the coming years. The workshop will be held at the University of Canterbury next year.

#### **EDN Contribution**

The EDN contributed \$8,832 to the workshop.

### **2.1.3 Visitor Programs**

The goals of the EDN are achieved in part by enabling travel to link innovative researchers and policy makers within EDN institutions, and by enabling eminent visitors to come and share their research with EDN members.

The EDN supported 7 visitor programs in 2008 from EDN institutions – the CSIRO, UNSW, University of Melbourne, ANU and the University of Auckland, University of Queensland and Bond University.

There were 75 sponsored visits to EDN institutions in 2008. The EDN promotes the funding of visitors to EDN institutions and welcomes them to:

1. give a seminar or public lecture
2. meet with some PhD students or early career researchers and discuss their research
3. visit more than one EDN institution (where possible)

Section 2.4 is a table of the EDN's 2008 visitors program, with details about what each of the visitors participated in during their visit.

#### **EDN Contribution**

The EDN funded \$127,357 for these visitors programs with \$88,304 in co-funding.

## **2.1.4 Academic Collaboration Projects**

### **2.1.4.1 The Australian National University**

#### **Venue**

The Australian National University, 1 – 15 Nov, 2008

#### **Purpose**

Martin Richardson (ANU) and Frank Staehler (University of Otago) are to collaborate on work on research concerning so-called "fair trade". Further to existing work we have done on this topic, we propose to examine the implications of the structure of fair trade markets for entry.

#### **Outcomes**

Prof. Frank Staehler visited ANU to collaborate on work with Professor Martin Richardson. Prof. Staehler visited the ANU for two weeks from December 1 - 12. Originally they were to work together on a project continuing from earlier joint work on Fair Trade. However they collaborated on a slightly different topic: working on a paper on "green labelling" of internationally traded products. It was a very closely related topic but not identical to that initially proposed. The collaboration made substantial progress in that time on building a model of the political economy of so-called "food miles". The researchers are currently writing something up, with the work to be completed in the near future. The paper will be released as a Working Paper with the aim of presenting it at seminars in early 2009 before submitting it for publication.

#### **EDN Contribution**

The EDN funded \$3,535 for this collaboration project with \$2,500 in co-funding from the school of Economics at ANU.

### **2.1.4.2 UNSW**

#### **Venue**

The University of New South Wales, 2008

#### **Purpose**

The UNSW collaboration programme is designed to increase collaboration between EDN members at UNSW and international scholars around the world. The purpose is to increase the opportunity for scholarly interaction and to increase the level of international awareness of EDN research at UNSW.

It is expected that this project will lead to other projects between UNSW researchers and collaborators that will eventually lead to joint papers and publications as well as sharing of knowledge in similar areas.

#### **Outcomes**

The ARC Economic Design Network supported an international Collaboration Program at the University of New South Wales during 2008. The program was designed to meet the EDN objectives of Bringing People Together and Training graduates and early career researchers. The program has been successful with 5 outstanding academics visiting UNSW for periods between a week and several months and one academic from UNSW visiting a co-author overseas. All visitors have collaborated on research and spent time with academics at UNSW. In several cases, the visitors have presented one or more advanced lectures on their area of research.

Below are the details of the 5 academic collaborations for 2008.

**Name: Shankha Chakraborty**

Institute: University of Oregon

Dates visited: June 1 – July 1 2008

**Host: Arghya Ghosh**

During his visit Shankha Chakraborty and Arghya Ghosh started a project which will look at the interrelationship between the evolution of the legal system and the development of markets. The key tradeoff (to be exploited) is as follows. On the one hand, emergence of lawyers lowers resources available for production (of goods) since lawyers effectively facilitate transfers from one agent to other. On the other hand the presence of law and lawyers prompt individuals to engage in production and exchange which otherwise would not have taken place.

Shankha presented a paper on "*Diseases and Development*" in the departmental seminar series. In the seminar he presented a theory of infectious disease transmission and rational behaviour where diseases are costly due to mortality (premature death) and morbidity (lower productivity and quality of life). Using a newly developed theoretical framework Shankha explained why the empirical relationship between health and income at the aggregate level may be more nuanced than realized. The seminar was well attended and proved useful to people working on development-related issues. In addition to this, he interacted with staff and PhD students and provided feedback on the research papers of PhD students. During his visit Shankha also gave seminars at the University of Sydney and the University of Melbourne.

**Name: Johanna Francis**

Institute: Fordham University

Dates visited: 18- 30 July 2008

**Host: Stanley Cho**

During her visit, Stanley Cho and Johanna Francis started a project to examine the influence of tax treatment of owner-occupied housing on wealth inequality in the United States. In the US, tax treatments on housing such as mortgage interest deductibility and the untaxed nature of imputed rents from owner-occupied housing provide disproportionate tax savings for the top deciles of the income distribution. The project studies the relationship between this tax distortion and the heavily skewed distribution of wealth in the United States.

In addition, she also gave a seminar titled, "*Entrepreneurs, Wealth and the Capitalist Spirit*". The seminar was well attended and proved useful to people working in dynamic macroeconomics, especially those focusing on consumption and savings. Johanna interacted with other faculty members such as Alexandre Dmitriev, Suraj Prasad, and Rachida Ouyse.

**Visitor: Duncan James**

Affiliation: Fordham University, NY

**Host: Anna Gunthorsdottir**, School of Strategy and Entrepreneurship

**Duration: 18<sup>th</sup> June – 25<sup>th</sup> June 2008**

Prof. James gave a formal seminar within the Department of Economics UNSW Seminar series on June 25, on the topic of how risky games that are isomorphic in structure elicit entirely different responses in experimental subjects (and elicit either equilibrium or off-equilibrium play) depending on the format in which the games are presented to players. Seminar-related expenses were covered by the School of Strategy.

In an informal seminar within the School of Strategy, Prof. James presented another recent paper, "*Experience-weighted attraction in the first price auction and the Becker-DeGroot-Marschak*".

Prof. James advised Graeme Taylor, an honours student in the School of Strategy who is writing on insurance risk, on his thesis proposal and also suggested follow-up topics. He also advised an incoming PhD student in Economics, Jianfei Shen, on his most recent paper. He interacted with staff from the School of Economics, School of Strategy and Entrepreneurship and School of Organization and Management.

The numerous discussions fertilized the host's work, in particular her paper on "Nash equilibrium vs. personality" where her topics touch Prof. James' topics in significant ways. There may be a possibility of collaboration in the coming months and years, between the host and Prof Duncan's team consisting of Marc Issac, Jim Cox and Tim Salmon.

Name: **Gaetano Antinolfi**

Affiliation: Washington University in St. Louis

Host: **Suraj Prasad**

Dates visited: **12 - 20 Nov, 2008**

On 17 Nov, Prof. Antinolfi gave a seminar on his paper entitled "*The Optimal Inflation Target in an Economy with Limited Enforcement*". On 18 Nov, Prof. Antinolfi gave a seminar on the same topic at the University of Sydney. His paper provides an explanation for why central banks choose nominal interest rates and associated inflation rates that differ from the Friedman rule. More than 10 academic staff and PhD students attended the seminar. In addition to this, he talked to a number of academic staff including Stanley Cho, Alexandre Dmitriev, Guillaume Roger, Carlos Pimienta, Hodaka Morita and Guillaume Roger about their research. He also met with PhD students to discuss their research.

He started a research project with Suraj Prasad building on prior joint work which was published in the Journal of Monetary Economics (JME), 2008. The JME paper, titled "Commitment, Banks and Markets" looked at a setting with banks and financial markets and suggested a new function for banks that had not been documented in the literature: collateral pooling. The key idea is that by pooling collateral across a large number of investors (or depositors), banks can promise to repay loans for a smaller fraction of investors who may have liquidity needs. One consequence of this model is that all long-term assets (collateral) are held by a bank. In the new project, the authors plan to introduce randomness in the value of collateral (think of random house prices). This presents an interesting trade-off. When all collateral is held by banks, it improves commitment ability, but it also exposes a bank to significant risk. This trade-off is especially interesting in light of the recent financial crisis involving collateralized assets.

Name: **Bart Wilson**

Affiliation: **Chapman University**

Host: **Anna Gunnthorsdottir**

Dates visited: **5 - 13 Dec, 2008**

Bart Wilson specializes in microeconomics, market design and behavioral finance. Among the purposes of Prof. James' visit was the development of joint projects between Bart, Valentyn Panchenko, school of economics, UNSW, and me (see below for details), and more generally an academic exchange of ideas, and the strengthening of ties with Bart's group (the team around Vernon Smith at Chapman University). The EDN covered Bart's flight and living expenses, but hotel expenses were covered from one of my grants, keeping EDN expenses low.

- Bart Wilson gave a formal **seminar** within the Department of Economics UNSW Seminar series on December 5. The topic was an experimental investigation in the origins of property rights, joint work with Vernon Smith. Lively discussions ensued. This seminar was joint with the School of Strategy and was followed by drinks where faculty from both schools, as well as PhD students attended.
- On December 8 Bart Wilson gave a second **seminar** as part of the CEEM conference. The seminar was organized by CEEM director Regina Betz. The topic was an experimental study of gasoline markets, and the benefits of zone pricing (free pricing) as compared to uniform pricing imposed by law. The audience was clearly very interested, and Bart enjoyed the interaction with what he deemed a very clever audience.
- Prof. Wilson's **additional meetings** during his visit:
  - Prof. Hodaka Morita, economics, UNSW
  - AJ Bostonian, director of UNSW's new experimental lab
  - Regina Betz, co-director, CEEM.
  - Dr. Stanley Cho, economics, UNSW
  - Dr. Valentyn Panchenko, economics, UNSW (a co-author on the learning model project, see below).

- o 2 hour-long meetings with Jianfei Shen, my PhD student in economics. The purpose of the meeting was to assist Jianfei with his emerging research agenda and to expose him to experimental viewpoints different from my own.
- **Projects:** various joint projects in the area of trust were explored, related to work I am currently doing with Vernon Smith. The most immediate joint work that emerged however is an examination of my meritocracy mechanism model and associated experimental data using learning models (with V. Panchenko), which is already in progress.

Bart Wilson's visit was productive along many dimensions. In addition to more formal events and progress on my learning model project, professional ties were strengthened, many ideas were exchanged, and Bart was impressed with UNSW and expressed interest in closer collaboration with UNSW in general, the new UNSW lab, and the UNSW economics school.

### **EDN Contribution**

The EDN contribution was \$ 27,800 for these academic collaborations.

#### **2.1.4.3 The University of Melbourne**

##### **Venue**

Kerala, India, 1 – 30 April, 2008

##### **Purpose**

To set up a major research collaboration between the University of Melbourne (UM), the Victorian Department of Sustainability and Environment (DSE), the Indian Statistical Institute (ISI) Delhi, and the Foundation for Ecological Research Advocacy and Learning (FERAL), Pondicherry. The aim is to set up economic mechanisms to create and preserve habitat connectivity in the Western Ghats of India. UM and DSE have experience in the design and implementation of programs to provide economic incentives for the provision of ecosystem services; ISI has expertise in environmental economics and the design of incentives; and FERAL has expertise and experience in ecology and environmental management in Southern India. UM and FERAL also have complementary skills in the design and use of remote sensing networks.

##### **Outcomes**

The intention of these meetings was to identify skill complementarities and fruitful collaboration opportunities. Researchers who participated were Peter Bardsley and Gary Stoneham (UM and DSE), E. Somanathan (ISI), Rauf Ali, Srinivas V., Ravi Bhalla and Anu Pai (FERAL). Field trips were undertaken to the Ariankavu corridor between the KMTR and Periyar Tiger Reserves in the Western Ghats, and to the Gingee water catchment, and on 1<sup>st</sup> May a Workshop on Payment for Ecosystem Services was held at Auroville to discuss the proposed collaboration. Researchers and government officials from across India participated in this workshop. It was agreed that there were two valuable projects that should be undertaken. The first is to develop mechanisms to re-establish wildlife corridors in the Ariankavu corridor between the KMTR and Periyar Tiger Reserves in the Western Ghats. The second is to cooperate in hydrological modelling of the Gingee watershed and to pilot test mechanisms to improve water quality and the efficiency of groundwater use in this catchment.

##### **EDN Contribution**

The EDN funded a total of \$15,337 for this collaboration.

#### **2.1.4.4 The University of Melbourne**

##### **Venue**

The University of Melbourne, The University of Auckland 2008.

##### **Purpose**

Georgy Artemov (University of Melbourne) and Dmitry Kvasov (University of Auckland) will spend time at each other's institution for research collaboration on "Interlaced Periods in Mechanisms with Renegotiation" (joint also with Sergei Guriev, New Economic School) and "Renegotiation-proof mechanism for bilateral trade."

##### **Outcomes**

The main objective of this project has been to develop the set up for our joint (with Dmitry Kvasov and Sergei Guriev) project on multi-period bilateral trade. This objective has been successfully fulfilled: the original project has been split into two, with two clear objectives in each of these new projects. The purpose has been to work face to face with Dmitry Kvasov both in Melbourne and in Auckland, which we have successfully done.

##### **EDN Contribution**

The EDN funded a total of \$4,000 for this collaboration with \$100 funded from a research grant.

#### **2.1.4.5 The University of Auckland**

##### **Venue**

The University of Auckland, 2008.

##### **Purpose**

Dr Arkadii Slinko will collaborate with Prof. Mamoru Kaneko (University of Tsukuba). Dr Arkadii Slinko has written a joint paper with Dr. Murali Agastya (University of Sydney) titled "On choice in a complex environment." He will present this paper at the "Logic and Economics" workshop at the University of Tsukuba. Prof. Mamoru Kaneko has read the paper and has interesting suggestions on how to develop this project further.

##### **Outcomes**

The activity achieved its purpose and all of its objectives. Professor Slinko participated at the workshop "Logic and Economics" in Tsukuba with a talk "Learning in a complex environment" based on the paper jointly written with Murali Agastya (University of Sydney). There were very interesting discussions with Prof. Kaneko (Tsukuba, Japan) and Prof Chih Chang (Taiwan). These will certainly lead to further collaboration in the near future.

The highlights of the workshop were certainly the informal discussions about bounded rationality and learning. This was an invitation-only workshop with about 20 participants. The interaction was intense and fruitful.

The workshop will certainly lead to a lasting research partnership between Prof. Mamoru Kaneko and two EDN institutions (University of Sydney and Auckland University). Prof. Kaneko is one of the world's leading researchers in the field of Inductive Game Theory. He has already extensive collaboration with some EDN members (in particular Jeff Kline from Bond University). The current activity will strengthen Prof. Kaneko ties with EDN.

##### **EDN Contribution**

The EDN funded \$2,050 for this collaboration with \$1500 in co-funding.

## 2.2 Training Young Scholars

### 2.2.1 Winter Schools

#### 2.2.1.1 EDNWS08: Third EDN Winter School - Money and Pricing

##### Venue

The University of Melbourne, 4 – 8 Jul 2008.

##### Website

<http://pluto.ecom.unimelb.edu.au/winterschool2008/>

##### Purpose

Professor R. Preston McAfee (Caltech & Yahoo Research) and Professor Randall Wright (University of Pennsylvania) will present 2 mini courses over 5 days on the topics, "Money and Pricing: Lectures in monetary theory and pricing".

The lectures are aimed at graduate students who have preferably completed some graduate coursework, but will also be of interest to academic economists and public policy analysts with strong technical backgrounds.

The main objective is to expose graduate students and faculty members to the latest developments in pricing theory and monetary theory, in lectures delivered by the top researchers in the field, and to allow students to present their own research, to get feedback from these researchers and other experts both nationally and internationally.

##### Outcomes

The Winter School for 2008 was again a fantastic success with a total of 57 participants which included PhD students, early career researchers, faculty and government/industry participants. Participants came from across Australia, Germany, USA, and New Zealand. Over the five days of the workshop two mini courses were delivered and participants were exposed to two leading international scholars, Professor R. Preston McAfee (Caltech and Yahoo Research) and Professor Randall Wright (University of Pennsylvania)

Professor McAfee's lectures focused on pricing. Topics included monopoly pricing, price discrimination, peak-load pricing, matching problems, dynamic pricing, price dispersion, experience goods, the Coase conjecture, and auction theory. The emphasis was on the common framework that binds these topics together, contrasting results, and on choosing which framework to use in different modelling environments.

Professor Wright's lectures focused on monetary theory in a frictional environment. Topics included the foundations of money as a medium of exchange, search and bargaining models of money and prices, the application of monetary theory to monetary data, and policy analysis. Emphasis was placed on the development of an internally consistent theory of money based on game theoretic micro foundations.

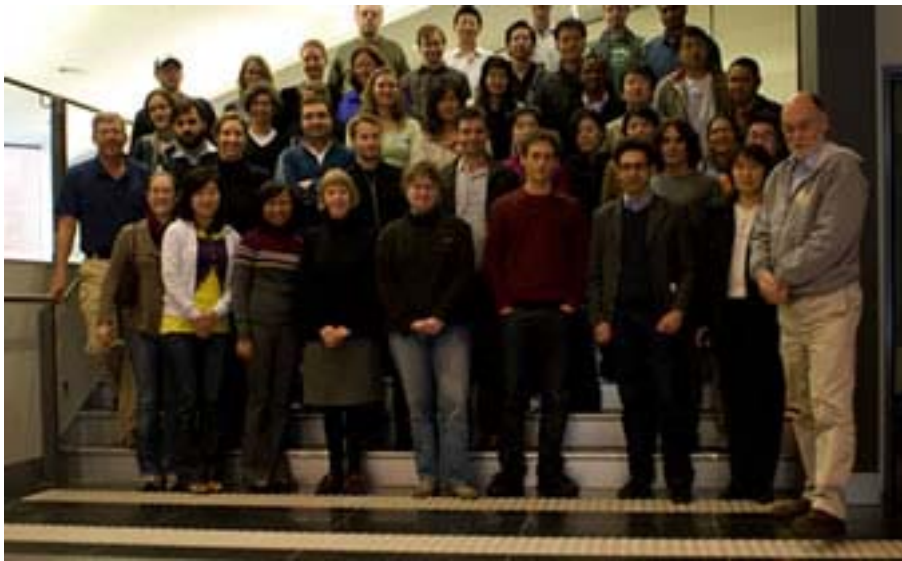
Both Professor McAfee and Professor Wright presented their lectures in very dynamic and interactive ways. The event was very well attended, drawing students, faculty members, and representatives from both government and private sectors. Professor McAfee's lectures covered pricing, while Professor's Wright's covered money, but there were significant synergies across the lectures. In both sets of lectures, attendees were taken to the cutting edge frontier of the research covered, and new research topics emerged from the discussions. The attendees were very enthusiastic about their experiences.

Both Professors McAfee and Wright took the time to attend each other's lectures. This made the event very interactive indeed, with both of them asking questions and making comments about each other's work. Throughout, all attendees were encouraged to do the same, and the connections between the two sets of lectures became very clear, which led to high-level discussions around new research ideas that link the two approaches.

The central focus, in all of the lectures, was on understanding the role played by governments, including central banks, regulatory agencies, and fiscal authorities, and on how policy can be designed to achieve the best outcomes. The policy discussion was at a very high level, and involved several participants from government agencies. The material in the lectures was at the cutting edge of the frontier, with policy design at its core. The participants included members from academia, research centres, government departments, and the private sector. Members from each of these sectors were actively engaged in the discussions, in a creative environment where each learned from the others. Many of the attendees were postgraduate students, training to become the next generation of policy-makers and academics. The highly interactive environment was extremely conducive to new intellectual relationships among economic theorists and policymakers. Many new ideas were generated by the discussions within the lectures and also among the participants in the social events.

Certainly some research partnerships were created. Although the exact number is difficult to discern, several of the participants mentioned to the organizers that they had forged new partnerships and even started new research projects with new partners during the course of the event. Similarly, many existing partnerships were strengthened by the opportunity to get together in the creative environment that the Winter school provided.

The EDN fully funded the workshop and provided travel and accommodation scholarships to 29 PhD students. Travel and accommodation was also provided for faculty and government/industry participants who attended the workshop. The feedback from the workshop was extremely positive and has continued to encourage and provide information as to the success and importance of the winter school in providing advanced coursework for students in Australia.



*EDN Winter School 2008 Participants*

### **EDN Contribution**

The EDN contribution of \$73,590 funded:

- Travel costs of presenters (Professor McAfee, Professor Wright);
- Travel, subsistence, and tuition scholarships for PhD students;
- Tuition scholarships for EDN early career researchers;
- Tuition scholarships for industry participants

## 2.2.2 PhD Travel Grant Programs

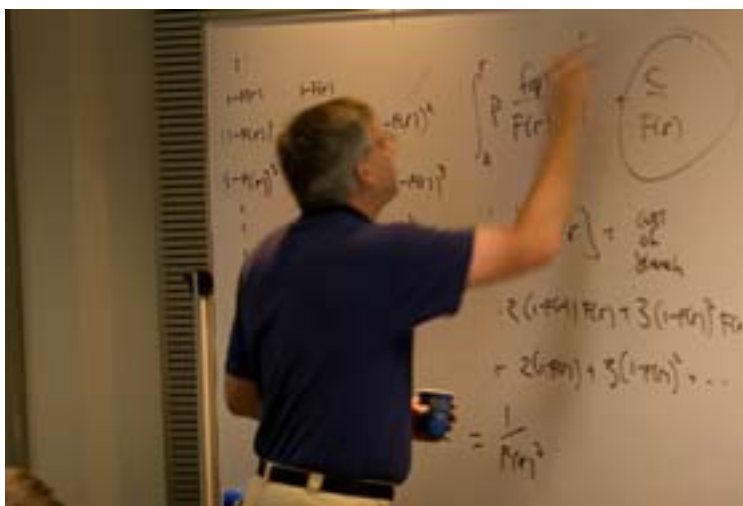
The Network provides PhD Travel Scholarships for students attending EDN sponsored events (in particular the Winter School), and for PhD students to present their work at international conferences.

### 2.2.2.1 Winter School

The majority of travel scholarships awarded in this program were for students to attend the Winter School held at The University of Melbourne on 4 - 8 Jul 2008. The following table lays out the demographics of students who received these travel grants:

Country	Australian State	No. of grants
Australia	ACT	5
Australia	NSW	1
Australia	Victoria	18
Germany		1
New Zealand		3
USA		1
<b>Total Grants awarded</b>		<b>29</b>

Table 17: Student Travel Grants awarded



EDN Winter School 2008: Money and Pricing – Professor R. Preston McAfee

### 2.2.2.2 International Conference Grants

The Network also funds Postgraduate Students up to \$500 to attend domestic conferences and up to \$1,500 for international conferences. The conditions for funding are that a paper has been accepted for presentation at the conference; the conference and paper are in the Network's supported areas; the student's university partially funds the travel; and the student submits a letter of support from his/her supervisor using the on-line application form on the website.

Helen Huang (University of Auckland) received an international conference grant from the EDN in 2008 to go to the University of Birmingham to study UK electricity regulation and work with Professor Richard Green. Prof. Green is a leading expert in the regulation of the electricity industry, the area of Helen's PhD research.

Prof. Green provided Helen with valuable resources on the UK electricity industry, as well as general guidance and advice. Helen collected data on the UK electricity industry and undertook some preliminary analysis of the data under Prof. Green's supervision.



*Helen Huang*

As well as interacting with Prof. Green, Helen also attended a 4-day Energy Economics course at Birmingham University. (The student registration fee of GBP250 was waived at Prof. Green's recommendation.) The course also provided a good opportunity to talk to people from the UK electricity sector, the UK Government, and academic researchers, including fellow PhD students.

In addition to her UK activities, Helen attended the Economics of Energy Markets Conference in Toulouse, France from 20 to 21 June. This is one of the world's premier Energy Economics conferences. Prof. Jean Tirole arranged to talk to Helen during the conference. His advice has been extremely helpful for Helen's research, which uses the Laffont-Tirole optimal regulation framework.

The EDN supports PhD students for both international and domestic conferences and provides students with an opportunity to engage with peers in the development of their research.

### **EDN Contribution**

The EDN contributed a total of \$21,810 for PhD scholarships in 2008, with \$19,387 for Winter School Scholarships and \$2,423 for international conference grants. Co-funding of NZ\$5,000 for Helen Huang's conference grant NZ\$3000 from Auckland Business School and NZ\$2,000 from the Energy Centre, University of Auckland.

### **2.2.3 ASSA Reception 2008**

#### **Venue**

Sheraton New Orleans Hotel, New Orleans, USA, 5 January 2008

#### **Purpose**

To host the inaugural Australian Research Council's Economic Design Network Reception for EDN members and friends held in conjunction with the international PhD job market at the 2008 American Social Science Association Meetings in New Orleans, USA.



*ASSA Reception - Dr Matthew Ryan*

### **Outcome**

The reception was hosted by EDN members, Dr Matthew Ryan (University of Auckland) Professor Nilss Olekalns (University of Melbourne) and Professor Ian King (University of Melbourne). The reception was very successful with about 50 people attending. The reception is a great way to bring together expatriate academics, expatriate graduate students, job market candidates (both Australian and international PhD's seeking positions), universities (both Australian and international) who are seeking to hire new graduates, and past visitors to Australian/NZ institutions, as well as other friends who would like to make or renew Australian/NZ connections. The EDN reception is valuable in raising Australia's profile in the most important international market place for PhD graduates.



*ASSA Reception - Guests*

### **EDN Contribution**

The EDN contributed \$6,107 to the reception.

## **2.3 Working with Government**

Working with the Government is one of the key objectives of the EDN. Economic Design is at the intersection of economic theory, experimental economics and economic policy innovation. Facilitating interaction between these three areas is very important to the Network.

Achievements in this area fall into three categories:

- *High level policy workshops and roundtable meetings which bring together policy makers and leading researchers to discuss current issues*

A major round table was held on greenhouse emissions trading design and climate change, which are among the most important policy issues identified by the

government. This workshop will be influential in policy development over the next year and beyond.

- *The development of experimental economics capacity in Australia*

A \$1 million capacity building agreement facilitated by the EDN and signed by the Victorian Government and the University of Melbourne led to the commissioning of a new experimental economics laboratory and the appointment of three visiting professorial fellows. The new facility, which opened in 2007, is operating successfully and is currently being used for academic research and policy design.

- *The design and delivery of training modules for government policy officers in economic design techniques*

These modules are designed to bring new graduate recruits up to speed on current techniques, as well as retraining more senior officials. 2008 saw the introduction of a third training module called "Contracts and Incentives: an Introduction to the Economics of Contract Design". 2008 also saw the second training module on Single Unit Private Value Auctions delivered for the third time to government participants and the feedback on these has been extremely positive.

## **2.3.1 Policy Roundtables**

### **2.3.1.1 Emissions Trading Design Workshop**

#### **Venue**

University of New South Wales, Sydney, 28 – 29 Nov 2007

#### **Website**

**<http://pluto.ecom.unimelb.edu.au/ednetwork/documents/MatthesETSANU17March.pdf>**

#### **Purpose**

The workshop aimed to give Australian policymakers, bureaucrats and key stakeholders the opportunity to discuss design decisions for the Australian Emissions Trading scheme with international and national experts. The international experts (e.g. Dr. Felix Matthes, Prof. Charlie Plott and Prof. Tim Cason) have key knowledge in the area of experimental economics (e.g. market architecture) and emissions trading (e.g. allocation) which is very valuable for the debate. The Australian government plans to make key decisions on the design of the National Emissions Trading Scheme in late April or the beginning of May. Therefore this workshop aims to provide input before those key decisions are made. It will be a workshop by invitation only, but international experts may give public lectures in addition to the workshop.

#### **Outcomes**

The aim of the workshop was to provide policy makers in Canberra with important insights into key market design issues which need to be resolved before Australia finalises the design of its Emissions Trading Scheme this year.

The workshop, which was by invitation only, was attended by a number of important policy stakeholders from the Australian government and public service, including the Department of Climate Change and Water and the Federal Treasury. The workshop managed to communicate a number of key design principles and perspectives from economic theory and practical experience to these policy makers.

In particular, there was very positive feedback on the presentations on the EU Emissions Trading Scheme from Dr. Felix Matthes. Dr Matthes had been heavily involved in the design of various features of the EU ETS and was flown out from Europe to provide first hand insights into the EU's experience with free permit allocation, abatement technology trends, the evolution of the market for emissions allowances, and the most recent developments in the EU's Emissions Trading Scheme.

The workshop was fortunate to have such a high calibre of speakers/presenters with valuable hands-on experience with Phase One of the Emissions Trading Scheme in the EU. There is a great deal Australian policy makers can learn from the European experience with Phase One and the workshop allowed the most important of these lessons to be communicated effectively to those who attended.

### **EDN Contribution**

The EDN funded \$13,636 for the workshop.

## **2.3.2 Capacity Building Initiative in Experimental Economics**

### **Venue**

University of Melbourne

### **Website**

**<http://www.economics-experiments.unimelb.edu.au/>**

### **Purpose**

Among the goals and objectives of the EDN is to create new research capacity in economic design, especially in economic theory and experimental economics, and to build research capacity in the Australasian region. In particular, the EDN aims to facilitate the development and application of experimental economics, and it also aims to provide professional training and support to policy makers.

The purpose of this proposal was to advance these objectives.

### **Outcomes**

In May 2007 the University of Melbourne and the Victorian Public Service (VPS) signed a \$900,000 agreement to build research capacity in economic design and experimental economics, and to develop links between the University and the Government to facilitate the application of these techniques in policy. The EDN was influential in facilitating this agreement. In 2008, the continuation of this agreement allowed better access to the network, through closer links to the University of Melbourne, implementing this important objective for the Government.

Objectives of the agreement are:

- to build on existing strengths, and to further develop research capacity at the University of Melbourne in economic design and experimental economics;
- to create a state of the art experimental economics laboratory at the University of Melbourne;
- to promote the publication of high quality research in top field journals;
- to develop the capacity with the Victorian Public Service to apply the techniques of economic design and experimental economics in policy development;
- to develop links between the University of Melbourne and the Victorian Public Service to facilitate the application of the techniques of economic design and experimental economics in policy development;
- to train current members and future recruits to the Victorian Public Service in the application of the techniques of economic design and experimental economics in policy development; and
- to meet the agreed obligations specified in the funding contract with DTF.

The flow of funds to the University for work in Economic Design under the Network Agreement was important in convincing the Government of Victoria to invest in this area.

This agreement has again been strengthened in 2008 with the delivery of two training modules for over 40 government participants.

The EDN Experimental Economics Laboratory has been well utilised since its opening date for experiments supporting both academic research and policy development. Facilities associated with the laboratory have also been used for training.

Listed below is a summary of the laboratories activities over 2008:

<b>Title of Project</b>	<b>Experimentalist</b>	<b>Dates of Use</b>	<b>Details of Laboratory Use</b>
Fairness in Posted Offer Markets	Tim Cason (Purdue University); Lata Gangadharan; Nikos Nikiforakis	Sept.-Dec. 2007; Mar.-Apr. 2008	13 experimental sessions with modifications of same experiment; 136 participants
Social Relativities	Nils Olekalns, Ian McDonald, Hugh Sibly, Nikos Nikiforakis	Nov.-Dec. 2007; Feb.-Apr.; August 2008	14 experimental sessions; 330 participants
Single Unit, Private Value Auctions Workshop	Nikos Nikiforakis	04 Dec. 2007; 26 March 2008	Workshop for DTF staff (2 repetitions)
Bush Broker Workshop	Veronica Nemes-Charlie	March 2008; 10 June 06 August 2008	3 repetitions of workshop: for the MBI Learning Network and for DSE & BES staff
Bush Broker experiments	Charles Plott (California Institute of Technology), Veronica Nemes-Charlie	07April; 09 April; 2008	2 experimental sessions; 24 participants
Sharing Behavior in a Dynamic R&D Game	Nisvan Erkal, Cary Deck (University of Arkansas)	April 2008	4 experimental sessions; 95 participants
Stormwater Tender	Veronica Nemes-Charlie	08 May 2008	1 experimental session; 12 participants
Contracts and Incentives: an introduction to the economics of contract design	Peter Bardsley Nikos Nikiforakis	22 July 2008	Workshop for DTF staff
Collective and Individual Work Agreements	Pablo Guillen, University of Sydney	26 & 27 August 2008	4 experimental sessions; 95 participants
Redistribution Preferences	Lata Gangadharan, Nisvan Erkal, Nikos Nikiforakis	11 & 16 Sept. 2008	2 experimental sessions; 68 participants
Group Decision Making with Arbitration	Tom Wilkening	30 Sept. 2008	1 experimental session; 20 participants
Bush Broker experiment	Veronika Nemes	14 & 16 Oct. 2008	2 experimental sessions; 16 participants

Vendetta (PG game with unlimited punishment opportunities)	Nikos Nikiforakis, Tom Wilkening	9 & 23 Oct.; 11 Dec.	3 experimental sessions; 45 participants
Auction	Nicola Lansdale (DTF)	20 & 27 Nov.; 2, 4 & 11 Dec.	5 experimental sessions; 41 participants

### 2.3.3 Training Workshops

#### 2.3.3.1 DTF3.1 Single Unit Private Value Auctions.

##### Venue

University of Melbourne, 26 March 2008

##### Purpose

This workshop is the second in a series of workshops prepared by the University of Melbourne for government/industry participants and is part of an ongoing capacity building partnership. The aim of the module is to present some of the properties which make auctions a useful tool for public policy. This is the third time that this workshop has been delivered to members of government departments.

##### Outcomes

Participants were introduced to how economists approach auctions. Further, they were introduced to the use of experimental methods for evaluating the predictive power of theoretical predictions.

The participants seemed to enjoy the juxtaposition of the theoretical predictions and the results from the experimental sessions in which they participated.

Members from the Dept Economics, The University of Melbourne and the Victorian Government (DTF and DSE) participated in the workshop.

The feedback from workshop participants was extremely positive. Many expressed an interest in continuing on with this type of training by looking at the next level of complexity.

A summary of the feedback is displayed below:

**Total no. of respondents: 14**

<b><u>Question 1:</u></b> Was the theoretical component useful?	<b>YES</b>	<b>NO</b>	<b>NEUTRAL</b>
	93%	0%	7%
<b><u>Question 2:</u></b> Was the experimental component useful?	<b>YES</b>	<b>NO</b>	<b>NEUTRAL</b>
	100%	0%	0%
<b><u>Question 3:</u></b> Was the policy component useful?	<b>YES</b>	<b>NO</b>	<b>NEUTRAL</b>
	93%	0%	7%
<b><u>Question 4:</u></b> Was interaction with other participants in the workshop valuable?	<b>YES</b>	<b>NO</b>	<b>NEUTRAL</b>
	79%	0%	21%
<b><u>Question 5:</u></b> Were the administrative arrangements adequate?	<b>YES</b>	<b>NO</b>	<b>NEUTRAL</b>
	100%	0%	0%

**Question 6:**

In your opinion should the workshop be run again?

YES	NO	NEUTRAL
100%	0%	0%

“It was particularly useful in determining the understanding of participants and what they will take away to their departments.”

“The lab was great. Everything was very well done.”

“Presenting the applications of the concepts is a really useful way to make it sink in”

“I found the workshop interesting and enjoyable. Thank you”

**EDN Contribution**

The EDN provided \$6,526 in total for these workshops.

**2.3.3.2 DTF3.2: Contracts and Incentives: an Introduction to the Economics of Contract Design.**

**Venue**

University of Melbourne, 22 July 2008

**Purpose**

This workshop delivered the third module developed for the Victorian Public Service by the University of Melbourne as part of an ongoing capacity building partnership.

The module “Contracts and Incentives: an Introduction to the Economics of Contract Design” will cover: how incentives are embedded in contracts and how the designer can use contract design to influence behaviour; the effect of risk aversion, limited ability monitoring and measurement uncertainty; and the surprising wide array of institutions which can be understood through contract theory.



*Workshop participants*

**Outcomes**

This workshop introduced some of the basic ideas of contract theory and showed how these can be tested, explored and refined in a laboratory and in turn how these ideas are applied to policy design. Members from the Department of Economics, The University of Melbourne and the Victorian Government (DTF and DSE) participated in the workshop.

There were a number of Victoria Government departments represented at the workshop. These included the Department of Infrastructure, the Department of Sustainability and the Environment, the Department of Treasury and Finance, and the Department of Human Services. Participation was encouraged internally by each Department.

The workshop was extremely well received, with numerous positive comments. All participants felt that the workshop should be run again, with each of the policy, theoretical, and experimental components receiving very positive reviews. The participants found the juxtaposition of experimental results and theoretical predictions very interesting.

The EDN provided the funding for the event and also provided preparation and organisation for the event, as well as software design.

This activity supported EDN objectives by providing professional training and support to policy makers; building capacity in the Australasian region; and facilitating the development and application of experimental economics.

A summary of feedback from the workshop is given below, along with some of the many positive comments received from participants.

**Total no. of respondents: 25**

**Question 1:**  
**Was the theoretical component useful?**

YES	NO	NEUTRAL
96%	4%	0%

**Question 2:**  
**Was the experimental component useful?**

YES	NO	NEUTRAL
80%	4%	16%

**Question 3:**  
**Was the policy component useful?**

YES	NO	NEUTRAL
96%	0%	4%

**Question 4:**  
**Was interaction with other participants in the workshop valuable?**

YES	NO	NEUTRAL
67%	0%	33%

*"It was interesting to see the connection between theories and experimental outcomes. It was useful to do lab work before theory."*

*"It provided an opportunity to touch base with other members of the VIC Government team. I had the chance to identify the level of knowledge about policy/contracts available within DPI."*

*"It was very important to think about how policy impacts on incentives. It's a pity that this isn't thought about more in policy development."*

*"It was very useful to see the applications and thus make it more relevant to the real world."*

**EDN Contribution**

The EDN provided \$6,526 in total for these workshops.

## 2.4 List of the 2008 EDN Visitor's Program

In 2008 the Universities of Melbourne, Auckland, New South Wales, Queensland, the Australian National University, Bond University, and the CSIRO, supported an outstanding range of visitors. The following is a full list of visitors to EDN institutions arising from the EDN's funding and activities in 2008.

Visitors Name	Institution	Ranking	Host Institution	Date of	Activities
Leandro Rego	Federal University of Pernambuco		Bond University		Academic Collaboration: Leandro Rego is working with Joseph Halpern of Cornell University on unawareness. Their work is path breaking research and it was very fortunate to have Leandro present it in Australia. Discussion to organize a small workshop of game theorists and mathematical economists here. Seminars given: 26th Australasian Economic Theory Workshop, Bond University Title: "Extensive Games with Possibly Unaware Players" University of Queensland. Title: "Generalized Solution Concepts in Games with Possibly Unaware Players"
Fohito Kojima	Yale University	9	University of Melbourne	24/11/08-26/11/08	Seminars given: "Asymptotic Equivalence of Probabilistic Serial and Random Priority Mechanisms"
Morten Bennedsen	Copenhagen Business School		University of Melbourne	14/11/08	Seminars given: "Incentives and Entrenchment Effects in European Ownership"
Michael Raith	University of Rochester	28	University of Melbourne	03/11/08 – 11/11/08	Seminars given: "Optimal Incentives and the Time Dimension of Performance Measurement"
John Asker	NYU, Stern School of Business	11	University of Melbourne	03/11/08 – 07/11/08	Seminars given: "A Study of the Internal Organization of a Bidding Cartel"
Ronald Stauber	ANU	51	University of Melbourne	10/10/08	Seminars given: "Knightian Games and Robustness to Ambiguity"
Reiko Aoki	University of Auckland		University of Melbourne	04/08/08 – 08/08/08	Seminars given: "Collective Rights Organizations and Upstream R&D Investment"
David Laband	Auburn University		University of Melbourne	03/11/08	Seminars given: "Patriotism, Pigskins and Politics: An Empirical examination of expressive behaviour and voting."
James Cox	Georgia State University	89	University of Melbourne	13/08/08 – 19/08/08	Seminars given: "Is there a Plausible Theory for Decision under Risk?"
Glenn Harrison	University of Central Florida		University of Melbourne	31/07/08 - 01/08/08	Seminars given: "Neuroeconomics: A Critical Reconsideration"
Charles Noussair	Tilburg University	42	University of Melbourne	01/08/08 – 29/08/08	Seminars given: "Three Asymmetries in Pricing in Experimental Asset Markets"
Russell Pittman	US Department of Justice		University of Melbourne	21/07/08	Interacted with academics to discuss research.
Preston McAfee	Caltech & Yahoo Research	80	University of Melbourne	01/07/08 – 26/07/08	Seminars given: "Let the Punishment Fit the Crime: Enforcement with Error"
Randall Wright	University of		University of	01/07/08 –	Keynote speaker at the WMD08

	Pennsylvania		Melbourne	08/07/08	workshop and delivered a mini course in money at the EDN winter school 08.
Sergei Guriev	New Economic School		University of Melbourne	27/06/08	Seminars given: "Duration and Term Structure of Trade Agreements"
Okan Yilankaya	UBC	24	University of Melbourne	16/06/08	Seminars given: "Optimal Auctions with Simultaneous and Costly Participation"
Philip McCalman	University of California		University of Melbourne	16/06/08 – 20/09/08	Seminars given: "Trade Policy in the Presence of a Discriminating Foreign Monopolist"
Ted O'Donoghue	Cornell University	14	University of Melbourne	26/05/08	Seminars given: "The Heat of the Moment: Modeling Interactions Between Affect and Deliberation"
Elif Incekara Hafalir	Carnegie Mellon University	36	University of Melbourne	19/05/08 – 23/05/08	Seminars given: "Credit Card Competition with Time Inconsistent Consumers"
Isa E. Hafalir	Carnegie Mellon University	36	University of Melbourne	19/05/08 – 23/05/08	Seminars given: "Revenue and Efficiency Effects of Resale in First Price Auctions"
Marco Casari	Purdue University	62	University of Melbourne	05/05/08 – 09/05/08	Seminars given: "Peer punishment in teams: expressive or instrumental choice?"
Jose Rodrigues-Neto	ANU	51	University of Melbourne	24/04/08	Seminars given: "From Posteriors to Priors via Cycles"
Dmitry Kvasov	University of Auckland		University of Melbourne	14/04/08 – 18/04/08	Academic Collaboration: worked with Georgy Artemov on a joint project (the project is joint with Sergei Guriev from the New Economic School, Moscow, who also visited)
Sergei Guriev	New Economic School, Moscow,		University of Melbourne		Academic Collaboration: worked with Dmitry Kvasov & Georgy Artemov on a joint project
Uwe Dulleck	Queensland University of Technology		University of Melbourne	28/04/08	Seminar given: "Price Discrimination in Markets for Credence Goods."
Robert Lucas	University of Chicago	2	University of Melbourne	23/03/08 – 27/03/08	Seminar given: "The Industrial Revolution and the Macroeconomics of Ricardo and Marx"
Charlie Plott	Caltech	80	University of Melbourne	23/03/08 – 27/03/08	Seminars given: "Economics as an Experimental Science" Interacted with academics regarding their research.
Heski Bar-Issac	New York University	11	University of Melbourne	05/03/08 – 12/03/08	Seminars given: "Information and Human Capital Management"
Cary Deck	University of Arkansas		University of Melbourne	10/03/08 – 07/05/08	Seminars given: "Measuring risk attitudes controlling for personality traits."
Timothy Cason	Purdue University	62	University of Melbourne	09/03/08 – 21/03/08	Seminars given: "Explicit versus implicit collusion for dividing the benefits of cooperation."
Hikmet Gunay	University of Manitoba		University of Melbourne	05/03/08 – 12/03/08	Seminars given: "Who will wait before buying? Strategic Delay and Dynamic Monopoly Pricing"
Jacob Goeree	Caltech	80	University of Melbourne	28/04/08 – 30/06/08	Seminars given: "Designing the FCC's 700MHz auction"
Michelle Goeree	University of Southern California	27	University of Melbourne	28/04/08 – 30/06/08	Seminars given: "Do research joint ventures facilitate collusion."

Ruben Juarez	Rice University	123	University of Melbourne	28/04/08 – 30/06/08	Seminars given: "Group Strategyproof Cost-Sharing"
Jurgen Eichberger	University of Heidelberg		University of Melbourne	09/01/08 – 08/02/08	Seminars given: "Multiple Priors as Frequency Weighted Similarities"
Albert Ma	Boston University	31	University of Auckland	31/07/08 – 11/08/08	Institutions visited: University of Queensland. Seminars given: "Public Sector Rationing and Private Sector Selection" Other Outcomes: Prof. Ma is considering a return visit to Aus/NZ as part of his forthcoming sabbatical.
In-Koo Cho	University of Illinois		University of Auckland		Keynote address: In-Koo Cho gave a keynote address at the Pan Pacific Conference on Game Theory (PPCGT), titled "Matching, Long Run Relationship and Aspiration". The PPCGT was attended by junior faculty and graduate students from The University of Auckland and elsewhere.
Jay Pil Choi	Michigan State University	32	University of Auckland	19/06/08 – 26/06/08	Institutions visited: University of Melbourne, UNSW Seminars given: "Net Neutrality and Investment Incentives" Academic Collaboration: worked with Dr Heiko Gerlach on several joint projects which is an on going collaboration.
Andy McLennan	The University of Queensland		University of Auckland	21/04/08 – 25/04/08	Seminars given: "Manipulation in Elections with Uncertain Preferences" seminars were attended by Faculty and graduate students from the University of Auckland.
Shino Takayama	University of Queensland		University of Auckland	21/04/08 – 25/04/08	Seminars given: "Information and Market Price Manipulation in the Unique Equilibrium of a Sequential Trade Model" seminars were attended by Faculty and graduate students from the University of Auckland.
Robert Lucas Jr	University of Chicago	2	University of Auckland	26/03/08 – 30/03/08	Institutions visited: Uni Melb, UNSW Seminars given: "Schooling and Growth" at SWIM Public Lecture: "The Industrial revolution: Past and Future" Keynote address: at SWIM (Southern Workshop in Macroeconomics). Other outcomes: Prof Lucas interacted with ECR's and graduate students as well as economists from the RBNZ. He also visited the RBA.
Nancy Stokey	University of Chicago	2	University of Auckland	26/03/08 – 30/03/08	Seminars given: "Economics and Inaction" at SWIM. Keynote Address: During her Auckland visit she was a keynote speaker at SWIM (Southern Workshop in Macroeconomics). attended by SWIM participants, faculty and graduate students from The University of Auckland and economists from the RBNZ
Tomas	Rutgers, the	39	University of	10/02/08 –	Institutes visited: University of

Sjostrom	State University of New Jersey		Auckland	13/02/08	Sydney. Seminars given: "Domestic Political Survival and International Conflict: Is Democracy Good for Peace?" attended by Faculty and graduate students from The University of Auckland.
Andrew Schotter	New York University	11	University of Auckland	09/01/08 – 18/01/08	Keynote Address: Professor Schotter will deliver the keynote address and also present results from his current research on learning in games at the First Summer Workshop in Experimental Economics and Social Sciences being held at the University of Auckland Business School on January 16 and 17, 2008.
Alexander Matros	University of Pittsburgh	43	University of Auckland	04/07/08 – 08/07/08	Institutes visited: University of Sydney, University of Adelaide, UNSW. Seminars given: "Chinese Auctions" attended by Faculty and graduate students from the University of Auckland. Academic Collaborations: with Dmitry Kvasov on a joint project "Sequential Contests", with the collaboration expected to continue.
Simon Loertscher	University of Melbourne	101	University of Auckland	01/10/08 – 03/10/08	Seminars given: "Information Transmission in Electoral Competition" seminars were attended by Faculty and graduate students from the University of Auckland.
Leonard Mirman	University of Virginia		ANU	03/08/08 – 25/08/08	Seminars given: ANU (Aug 8 <sup>th</sup> ) topic: "Choice and Allocation of a Risky Asset through Markets and Prices." University of Melbourne (Aug 15 <sup>th</sup> ) topic: "Optimal growth and uncertainty: Learning." Other outcomes: Prof Mirman interacted with staff members and PhD students. His coauthor, Elena Antoniadou also gave a seminar at ANU (Aug 22 <sup>nd</sup> ) topic: "Lattices, Income Effects and Lotteries."
Reiko Aoki	IER, Hitotsubatshi University		ANU	04/08/08 – 13/10/08	Seminars given: Uni Melb (Sept 5 <sup>th</sup> ) ANU (Sept 12 <sup>th</sup> ) Topic: "Collective Rights Organizations and Upstream R&D Investment." Research collaboration: with Dr. Nisvan Erkal (Uni Melb) and Dr. Tina Kao (ANU) on research projects. Dr. Other outcomes: Prof Aoki interacted with staff members and PhD students during her stay at ANU.
Jamie Alonso-Carrera	Universidade de Vigo		ANU	24/07/08 – 09/10/08	Seminars given: UNSW (Sept 5 <sup>th</sup> ) Uni Sydney (Sept 25 <sup>th</sup> ) topic: "Can consumption spillovers be a source of equilibrium indeterminacy?" Uni Melb (Oct 3rd) topic: "Growth, sectoral composition, and the evolution of income levels." Research collaboration: with Dr. Tim Kam (ANU School of Economics).

					Other outcomes: Prof Alonso Carrera participated in seminars and PhD student seminars and is now considering visiting Australia for his sabbatical leave in 2010.
Simon Wilkie	University of Southern California	27	ANU	18/05/08 – 28/05/08	Seminars given: UNSW (23rd May), ANU (26th May), topic: "Price Floors with Random Matching." Research collaboration: joint research project with Prof Martin Richardson in ANU School of Economics. Other outcomes: Prof Wilkie participated in School of Eco seminar series and interacted with staff members and PhD students.
Dale Squires	UC San Diego US National Marine Fisheries Service		ANU	05/07/08 – 27/07/08	Seminars given: ANU (8th July), LaTrobe (14 <sup>th</sup> July) UQ (16 <sup>th</sup> July) topic: "Technical Change and the Commons." Research collaboration: with Prof. R. Quentin Grafton at ANU on a number of joint papers and an edited book forthcoming with Oxford University Press in 2009. Other outcomes: Prof Squires also met with the EDN member Prof. Kevin Fox at the UNSW.
Michael Raith	University of Rochester	28	UNSW	12/11/08 – 18/11/08	Seminars given: <i>Optimal Incentives and the Time Dimension of Performance Measurement</i> for 1:30 hours on 14 November. The seminar was well attended by more than 20 academic staff and PhD students. Other Outcomes: Prof. Raith interacted with academic staff and PhD students.
Jeroen Swinkels	Washington University in St. Louis	190	UNSW	24/10/08	Seminars given: On 24 Nov, Prof. Swinkels gave a seminar on his paper entitled " <i>First and Second Price Mechanisms in Procurement and Other Auctions</i> ". More than 15 academic staff and Ph.D. students attended the seminar. Other outcomes: Interacted with academics and Ph.D students.
Edi Karni	Johns Hopkins University	46	UNSW	11/08/08 – 22/08/08	Seminars given: Edi Karni gave us a lecture entitled " <i>Beliefs, Probabilities and Decisions</i> " for 2 hours on 12 August. In addition, on 13 August, Prof. Karni gave a seminar on his paper entitled " <i>A theory of Bayesian Decision Making</i> ". Other outcomes: Prof. Karni actively interacted with our academic staff.
Preston McAfee	Caltech and Yahooo Research	80	UNSW	28/07/08 – 30/07/08	Seminars given: Preston McAfee gave us a seminar on " <i>Pricing</i> " on 29 July. More than 35 academic staff and PhD students attended the lecture. Other outcomes: In addition, Preston discussed research ideas with a number of our academic staff and PhD students.

					Academic Collaboration: Started a paper with Catherine de Fontenay, entitled 'Why do meetings take Forever?'
Albert Ma	Boston University	31	UNSW	29/07/08 – 30/07/08	Seminars given: Albert Ma gave us a seminar on " <i>Public Sector Rationing and Private Sector Selection</i> " on 30 July. More than 20 academic staff and PhD students attended the seminar.
Ted O'Donoghue	Cornell University	14	UNSW	12/05/08 – 18/05/08	Seminars given: Ted O'Donoghue gave us a lecture entitled " <i>Beta, Delta Preferences (aka Hyperbolic Discounting)</i> " for 2:30hours on 13 May. On 14 May, Prof. O'Donoghue gave a seminar on his paper entitled " <i>Hyperbolic Discounting and Consumer Purchases of Storable Goods</i> ".
Cary Deck	University of Arkansas		UNSW	07/04/08 – 12/04/08	Seminars given: Cary Deck gave a seminar on, " <i>Measuring Risk Attitudes Controlling for Personality Traits</i> ". In addition to this, he interacted with staff and Ph.D. students.
Maros Servatka	University of Canterbury		UNSW	07/04/08 – 16/04/08	Seminars given: Department of Economics, UNSW, April 16, on the topic of trust signalling. University of Sydney on April 15 and met with academics r outcomes: In addition he met with Kevin Fox (Head of School of Economics) and discussed joint visits of scholars from North America and Europe to both UNSW and the University of Canterbury. He also met with Hodaka Morita (School of Economics) to discuss the possibility of collaboration.
Nikos Nikiforakis	University of Melbourne	101	UNSW	31/03/08 – 04/04/08	Dr. Nikoforakis presented a seminar at UNSW on " <i>Institutional Details, Punishment and Cooperation in Public Good Experiments</i> ". Other Outcomes: As an expert in setting up an experimental economics laboratory, Dr Nikoforakis also used his visit to advise UNSW staff on their plans to set up an experimental laboratory. His insights proved extremely valuable in this regard.
Nancy Stocky	University of Chicago	2	UNSW	19/03/08	Seminars given: Dr. Stokey gave a presentation, titled <i>Moving Costs, Nondurable Consumption and Portfolio Choice</i> . The talk drew numerous faculty and postgraduate students from the School of Economics as well as faculty from School of Banking and Finance and staff from the Reserve Bank of Australia. The total attendance was 50. The talk was followed by extensive discussion as well as dinner afterwards.
Jeroen	University of		UQ	18/11/08 –	Seminars given: participated in an

Swinkels	Washington St. Louis			21/12/08	EDN supported conference, presented seminars, and interacted with other theorists around Australia and New Zealand. Jeroen was an invited speaker at the 5th Pan Pacific Conference on Game Theory in Auckland, and gave seminars at UNSW (Nov 24) Uni of Melb (Dec 5) UQ (Dec 19). Other outcomes: He interacted intensively with two early career researchers, Juan Carlos Caballero and Yuelan Chen.
Florian Teschner	University of Karlsruhe		CSIRO	01/09/08 – 31/12/08	Seminars given: Internal CSIRO seminar, title: "Development and form of a prediction market for dam levels in South East Australia". Collaboration: Yes direct involvement in the development of a prediction market for dam levels in South East Australia. With ongoing collaborations being explored. Worked with ECR Andrew Reeson while visiting the CSIRO. Other outcomes: Interacted with PhD students and spoke with the Lachlan Catchment Management Authority.
Kurt Schwabe	University of California Riverside		CSIRO	03/12/08 – 05/12/08	Seminars given: Feb 08 AARES conference, "Estimating Impacts of Climate Change on Lower Murray Irrigation, Australia" Collaboration: areas relating to water including impacts of climate change, uncertainty in water markets and supplies, adaptive policy to address water market uncertainty and other areas. Other outcomes: Kurt interacted with PhD students and much of Kurt's collaborative research directly involves discussions with relevant government and industry stakeholders.
Agnes Grandgirarg	Cemagref (France)		CSIRO		Collaboration: with CSIRO in a number of areas relating to water including the design of robust and effective water markets taking into account needs for environmental sustainability; and participated in content and quality reviews of research proposals and products. Other outcomes: During the AARES conference Agnes interacted with a number of government and industry stakeholders..
Christof Weinhardt	University of Karlsruhe		CSIRO	01/09/08 – 31/12/08	Institutions visited: Uni Melb, UNSW, ANU. Seminars given: Yes at CSIRO and Uni of Melb. Collaboration: Prof. Weinhardt has been involved in developing a prediction market to test whether information to aid in natural resource management can be gathered using

					prediction markets. Other outcomes: Prof. Weinhardt interacted with CSIRO based PhD's. He also interacted with ECR's directly in research through presentations and broader research discussions.
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## 2.5 Communication and Project Management

2008 saw the continuation and development of the EDN's website as an efficient and functional web information portal. Major development of the web site has taken place since the beginning of the EDN and procedures are in place for on-going updates and maintenance. Other achievements include the establishment of an online forum for members.

### 2.5.1 EDN Website and Bulletin Board

The EDN website was built and is maintained by the EDN Web Manager and the Network Manager. The website is divided into two sections: the public pages, and member pages, which are available only to Network members.

The public pages contain information regarding the network goals, objectives, governance, and member institutions, including information on the main research areas of the Network. There are now five special interest groups with their own pages listed on the website. The public pages also list the EDN members, details of upcoming and past events, including network activities such as conferences and workshops, public policy, the EDN winter school, academic collaboration projects, PhD and early career researchers, visitors, member's publications which include the working paper series, and the most current Annual Report.

The sections available only to EDN members include the new members' bulletin board, information on funding and sponsorship guidelines, policies, guidelines, documents which include past newsletters, web files and marketing material, and the members' details, which are maintained on the 'register of participants' and can be updated at any time by the member. This area also allows members to update their details and to choose their areas of interest, which will list them in the special interest groups on the website.

Members also have the ability to apply for funding using the online application forms, while tracking the progress of their application and reporting on their funded activity using the My Projects area.

The associated back-end database also streamlines the behind-the-scenes administrative procedures for processing and managing all EDN projects.

The bulletin board is an online discussion area, where executive and board members can discuss topics such as events, research, publications, and projects.

2008 saw the introduction of a members' bulletin board. This new feature was developed this year to encourage discussion about economics topics by members of the EDN. It will be available for any of the members to initiate topics of interest relating to the EDN and to encourage members to interact and network with each other.

Another feature added to the EDN website this year was the inclusion of an online survey of members. The survey was accessed via the website and was available for a few weeks for members to fill out if they desired. It was a relatively easy and effective way to gauge members' views of the network and has been a successful way of obtaining important information regarding the value of its programs.

### 2.5.2 EDN Newsletter

The newsletter is distributed quarterly electronically in portable document format via email to the Network members, and is also available on the web site.

Typical newsletter items include:

- *Convenors Report*: summarising administrative issues, main events since the last newsletter, and upcoming initiatives;
- *Visitors*: current and upcoming research visitors to member institutions;
- *upcoming Events*: upcoming conferences, workshops, schools, seminars, including EDN events, and other events relevant to EDN members; and
- *Past Events*: Past EDN activities which have taken place throughout the year including conferences, workshops, and training.

## 3 Proposed Projects and Plans for 2009

As this is the last year of funding for the network, the activities will be winding down but the following objectives have been adopted for 2009:

- To hold the Annual Economic Design Winter School;
- To allocate remaining funds on a priority basis to the most successful Network programs;
- To discuss with member institutions strategies to maintain the Winter School and other valuable EDN programs after the end of the ARC network agreement.

Below are details of the current approved projects which the EDN will support in 2009.

### 3.1 2009 Approved Projects

#### 3.1.1 Communication

##### 3.1.1.1 *ASSA 2009 - The ARC Economic Design Network Reception.*

###### Venue

San Francisco Marriot Hotel, 3 January 2009

###### Website

<http://pluto.ecom.unimelb.edu.au/ednetwork/ASSA/assaReception09.cfm>

###### Summary of Event

The EDN will host its second reception at the Allied Social Sciences Association Meetings in 2009 in San Francisco. The two-hour reception will be hosted by EDN members from the University of Melbourne, Dr. Nisvan Erkal and Professor Nilss Olekalns. The reception aims to bring together expatriate academics, expatriate graduate students, Australian/NZ job market candidates and past visitors to Australian/NZ institutions, as well as other friends who would like to make or renew Australian/NZ connections. The EDN welcomes all interested economists at the reception, not just those with EDN connections.

#### 3.1.2 Winter School

##### 3.1.2.1 *EDNWS09: EDN Winter School – Repeated Games and Reputations*

###### Venue

The University of New South Wales, 15 – 21 July 2009

###### Website

<http://pluto.ecom.unimelb.edu.au/ednetwork/events.cfm?evt=school>

###### Summary of Event

**Presenters:** Professor George Mailath (University of Pennsylvania) and Professor Larry Samuelson (Yale University)

The 2009 Winter School will be devoted to the study of repeated games and reputations. The course will begin with the basics of repeated games of complete information, including the formulation of the problem, equilibrium concepts, and basic analytical techniques such as the one-shot deviation principle and self-generation. These will be used to derive the basic folk theorem results and explore applications. Attention will then turn to the theory of games of imperfect public monitoring, with particular emphasis on techniques for bounding sets of equilibrium payoffs, again culminating in a folk theorem. The course will continue to cover recent work on repeated games of private monitoring and reputations. The main reference for the course is "**Repeated Games and Reputations: Long-Run Relationships**" by George J. Mailath and Larry Samuelson, Oxford University Press © 2006

### **3.1.3 Conference Sponsorship**

#### **3.1.3.1 ESAM09 – The Econometric Society Australasian Meeting**

##### **Venue**

The Australian National University, Canberra, 7 – 10 July 2009

##### **Website**

**<http://esam09.anu.edu.au/>**

##### **Summary of Event**

The aim of the Econometric Society Australasian meetings is to provide a forum at which economists and econometricians from Australia and overseas can present and discuss their current research. The conference also provides an excellent opportunity to meet and network with fellow researchers and leading academics in the field.

The sponsorship from the EDN will provide support for the keynote economic theory speaker Prof. Larry Samuelson (Yale University) and four invited sessions in the areas of economic theory and experimental economics.

### **3.1.4 Research Workshops**

#### **3.1.4.1 The 27th Australasian Economic Theory Workshop**

##### **Venue**

Massey University, Auckland, 20 – 21 February 2009

##### **Website**

**<http://aetw2009.massey.ac.nz>**

##### **Summary of Event**

The economic theory workshop is an annual event that brings the best theorists from the Australasian region together to present and discuss their research. This year's edition also aims at supporting the participation of PhD students and young scholars in the workshop. The keynote speakers will be: Professor Andrew Atkeson (University of California, Los Angeles), Professor Bo E. Honoré (Princeton University), Professor Eric Renault (University of North Carolina) and Professor Larry Samuelson (Yale University).

#### **3.1.4.2 The 4<sup>th</sup> Workshop on Experimental Economics**

##### **Venue**

University of Canterbury, Christchurch, 18 – 19 Dec 2009.

##### **Website**

**<http://www.canterbury.ac.nz/events/eventdisplay.aspx?itemid=1261>**

### **Summary of Event**

The 4th Australian Workshop on Experimental Economics is a two-day workshop with 15-20 presenters from Australia, New Zealand, the USA and the Netherlands. The keynote speakers will be Tim Cason from Purdue University, Jim Cox from Georgia State University, Martin Dufwenberg from University of Arizona, and Charles Noussair from Tilburg University. The Australian Workshop on Experimental Economics aims at bringing together economists from Australia and New Zealand working in the field of experimental economics, but also at raising awareness about experimental methods in Economics.

#### **3.1.4.3 *The Annual Workshop on Health Economics***

##### **Venue**

University of Technology Sydney, 29 – 30 January 2009

##### **Website**

**[http://www.business.unsw.edu.au/nps/servlet/portalservice?GI\\_ID=System.LoggedOutInheritableArea&maxWnd= CAER\\_Workshops](http://www.business.unsw.edu.au/nps/servlet/portalservice?GI_ID=System.LoggedOutInheritableArea&maxWnd= CAER_Workshops)**

### **Summary of Event**

To support Professor Thomas Buchmueller to speak at the Annual CAER Health Economics Workshop (Jan 29 and 30 2009) and to be an academic visitor at the Centre for Health Economics Research and Evaluation at UTS.

The CAER Health Economics Workshops provide a forum for research in health economics focusing on microeconomic modelling approaches. The workshop encourages the participation of early career researchers. Funding is used to support prominent visiting researchers to attend and speak at the workshop. Prof. Buchmueller is the Waldo O. Hildebrand Professor of Risk Management and Insurance at the University of Michigan's Ross School of Business. He is an expert on the economics of health insurance and related public policy issues. He has considerable research expertise in health insurance and risk selection and has had an important role at in health policy in the US. In 2006 he was awarded a Packer Fellowship and during his time in Australia he undertook research on adverse selection in Australian private health insurance. He also has an ongoing research collaboration on risk preferences and insurance with Denzil Fiebig, Glenn Jones and Elizabeth Savage.

#### **3.1.4.4 *Summer Workshop in Industrial Organisation***

##### **Venue**

University of Technology Sydney, 29 – 30 January 2009

##### **Website**

**<http://homes.eco.auckland.ac.nz/hger004/Main.html>**

### **Summary of Event**

The key objective is to establish a regular high-quality international workshop in Industrial Organization/Applied Microeconomics in the Australasian region. Ideally, the workshop's organization is rotating among institutions in Australia and NZ. Such a workshop provides the opportunity to bring international top researchers into the region to interact with staff, PhD students and policymakers.

### **3.1.5 Visitor Programs**

#### **3.1.5.1 *University of Queensland***

##### **Dates of Visit**

The University of Queensland, June/July 2009

##### **Summary**

Professor Ali Khan (John Hopkins University) will spend two months as an academic visitor at The University of Queensland. His interests are in Mathematical economics, International trade and Development.

#### **3.1.5.2 *University of Auckland***

##### **Dates of Visit**

The University of Auckland, 2009

##### **Summary**

To support a program of academic visitors at the University of Auckland.

#### **3.1.5.3 *University of Melbourne***

##### **Dates of Visit**

The University of Melbourne, 2009

##### **Summary**

To support a program of academic visitors at the University of Melbourne.

#### **3.1.5.4 *University of Sydney***

##### **Dates of Visit**

The University of Sydney, 2009

##### **Summary**

To support a program of academic visitors at the University of Sydney.

#### **3.1.5.5 *University of New South Wales***

##### **Dates of Visit**

The University of New South Wales, 2009

##### **Summary**

To support a program of academic visitors at the University of New South Wales.

#### **3.1.5.6 *The Australian National University***

##### **Dates of Visit**

The Australian National University, 2009

##### **Summary**

To support a program of academic visitors at the Australian National University.

### **3.1.6 Academic Collaboration Programs**

#### **3.1.6.1 University of Adelaide, University of Melbourne**

##### **Dates of Visit**

The University of Adelaide, University of Melbourne, June/July 2009

##### **Summary**

An Academic Collaboration between Ludovic Renou (University of Leicester) and staff from University of Adelaide and the University of Melbourne. Ludovic Renou, formerly of the University of Adelaide and the Board of EDN, is now located at the University of Leicester, UK. Ludovic is an early career researcher and has developed a very strong research agenda in Economic Theory and Experimental Economics, with publications in JET, Games, and Economic Theory. This project aims to keep Ludovic's connection to Australia alive and to foster collaboration of members of the departments in Adelaide and Melbourne with this outstanding young researcher.

## **4 Structure, Governance and Administration**

This section is organised as follows. First, the Governance structure and the corresponding responsibilities are described. In Section 4.2, the Network Agreement is discussed, while planning efforts and management of the Network is included in Section 4.3. Marketing activities are presented in Section 4.7 and, finally, procedures for administrating funds are found in Section 4.7.2.

### **4.1 Goals, Objectives and Structure**

The ARC Economic Design Network is a research network funded by the Australian Research Council to support research and scholarship in economic theory and experimental economics, and in their application to the design of economic policy.

By encouraging interdisciplinary research and policy innovation, using state of the art techniques in economic theory and experimental economics, it aims to create practical tools that can be used to solve complex social and economic problems. By linking Australasian researchers into multidisciplinary teams and networks involving some of the best scholars and centres for economic theory and experimental economics around the world, it aims to build on our strengths and help us to create the capacity for world-class economic design in the region.

The Network supports researchers in all aspects of economic design, but is particularly focusing on five main areas:

- Experimental economics;
- Competition policy/regulatory economics;
- Health economics;
- Environmental economics; and
- Economic Theory

These areas are formulated to foster and co-ordinate research activities and to inspire new collaborative initiatives.

In support of the Network's goals and objectives, the following programs encapsulate the core activities of the Network:

- Conferences;
- Training and workshops;
- Visitor programs; and
- Communication tools.

Supporting the convenor in governance of the Network is an executive board, the network manager, and a team of local EDN representatives located at individual contributing organisations providing operational support.

## 4.2 Goals and Objectives

The goals of the Network are as follows:

1. To facilitate the design of better public policies for Australia and to deliver innovative policy tools into the hands of policy makers;
2. To expand the frontiers of Economic Design by linking innovative researchers, research centres, and policy makers;
3. Train a new generation of researchers and policy makers in the frontier knowledge of economic design; and
4. To create new research capacity in economic design, especially in economic theory and experimental economics.

The objectives of the Network are:

1. To coordinate and facilitate research in economic theory, experimental economics, and economic design by members and participating institutions;
2. To coordinate and facilitate innovative policy development through the application of this research;
3. To provide a central forum for communication and the dissemination of information;
4. To support regular and occasional conferences;
5. To run an annual summer/winter school;
6. To support a program of academic visitors to the network;
7. To provide professional training and support to policy makers; and
8. To build capacity in the Australasian region, and in particular to facilitate the development and application of experimental economics.

## 4.3 Governance

The governance arrangements of the Network are detailed in this section. Supporting the network convenor is an executive board, the board members who are also local representatives from contributing institutions and a network administrator. The network administrator and the board members report to the network convenor, while the executive operates in a consultative manner with the convenor. The executive is chaired by the network convenor and works as the governing body of the Network.

### 4.3.1 Network Convenor

The network convenor Professor Peter Bardsley is accountable to the ARC, having responsibility for the overall administrative and financial aspects of the Network. The convenor chairs the Executive and Board meetings. The network convenor is responsible for executing the decisions of the executive and board and for supervising the life of the Network.

### 4.3.2 The Executive and the Board

The Network is governed by a board consisting of

- The network Convenor, who chairs the board;
  - One representative from each contributing institution; the representative is a network member, elected by network members at the institution;
  - Two representatives elected by members not at one of these institutions; and
  - One representative elected by early career researchers in the network.
- The board may coopt up to two additional members who are policy professionals not associated with a University.

Day to day management is the responsibility of the executive consisting of the network convener and two other board members, nominated by the board. One of these will act as treasurer, the other as secretary.

The Board and the Executive will attempt to reach consensus on any matter, but in the event that a consensus is not clear may make decisions by a simple majority of those present. In the event of a tied vote, the proposal will be defeated. The board meets, either in person or electronically, at least once per year. The executive meets, either in person or electronically, at least four times per year. Board meetings will require a quorum of 5 members. Executive meetings will require a quorum of two members.

Members of the board are detailed in Table 18 and members of the executive in Table 19 below:

Chair of the Board, Convenor	Peter Bardsley
University of Melbourne representative	Simon Loertscher
University of Sydney representative	Abhijit Sengupta
University of New South Wales representative	Hodaka Morita
Australian National University representative	Tina Kao
University of Auckland representative	Matthew Ryan
University of Queensland representative	Flavio Menezes
CSIRO representative	Stuart Whitten
Member representative	Elizabeth Savage, UTS
Member representative	Ralph Bayer, Uni of Adelaide
Policy Professional Representative	Ingrid Burfurd, DSE
Early career representative	Tatyana Chesnokova, Uni of Auckland

**Table 18: Members of the Board in 2008**

Chair of the Executive, Convenor	Peter Bardsley
Executive Member	Matthew Ryan
Executive Member	Flavio Menezes

**Table 19: Executive Members**

Details of Executive meetings held:

Date	Place	Meeting held
8 February 2008	Bond University	Board
23 October 2008	Via Conference Call	Executive

**Table 20: Management meetings in 2008**

### 4.3.3 The Network Manager

The network convener is further supported by the network manager, Kathryn Perez, who is responsible to the network convener for the administrative management and day-to-day operation of the network. Responsibilities of the network administrator include:

- Day-to-day operation of the network;
- Implementation and operation of procedures and policies;
- Maintaining financial records;
- Reporting on the operation of the network to the network convener and the board;
- Interfacing with the team of local EDN representatives;
- Interfacing with organisers of EDN events; and
- Supervising the web manager.

The network manager is employed full time by the EDN and web manager works part-time for the network.

## **4.4 EDN Programs**

The following programs encapsulate the actual activities that are conducted in support of the Networks goals and objectives:

### **4.4.1 Conferences, Training, and Workshops**

The Conferences, Training, and Workshops Program offer opportunities for research exchange and networking, as well as public engagement. It supports the creative research environment, exposing postgraduates to the larger community, creating linkages between relevant researchers within public organisations as well as within industry.

### **4.4.2 Visitor Program**

The Visitors Program is intended to:

- Strengthen EDN links with world-class research institutions abroad;
- Enhance the reputation of local academics and institutions with overseas researchers;
- Help familiarise local academics and graduate students with the leading edge techniques of the visitors; and
- Stimulate research collaboration between international and local economists leading to the development of research teams improving application of economic design techniques to policy issues.

Local contributions towards funding of visitors add to the strength of the funding application. Institutions awarded funding can apply to carry over any left-over funds at the end of a year.

### **4.4.3 Academic Collaboration Projects**

This program is intended to help facilitate collaboration between researchers at an EDN contributing institution and co-authors outside of their organisation. It also is intended to expand research links both within the Network as well as those between EDN members and international experts on economic design. Through these means, the program aims to increase the number and quality of publications in the areas of economic design co-authored by EDN members.

### **4.4.4 PhD and Early Career Researchers**

The EDN Winter School is specifically designed for PhD students and Early Career Researchers. The EDN hosts a reception for EDN members and friends in conjunction with the international PhD job market held at the American Social Science Association Meetings in January each year. This reception brings together job market candidates (both Australian and international PhD's seeking positions) and Universities (both Australian and international) who are seeking to hire new graduates. The EDN reception is valuable in raising Australia's profile in the most important international market place for PhD graduates. Postgraduate Travel Scholarships offer Domestic and International students opportunities to attend conferences and summer/winter schools. This program is focused on enhancing research education, to provide students opportunities for networking, and to build confidence, individualism and initiative required for the development of the next generation of researchers.

### **4.4.5 Public Policy Program**

The EDN is a bridge between academic researchers and policy makers. The program delivers training modules to participants in various government departments. While funding policy round tables and workshops on some of the most current policy issues.

### **4.4.6 EDN Communication Tools**

The EDN Communication Tools is centred on the EDN web site. Activities include a newsletter and a Bulletin Board to establish a virtual presence across geographical boundaries,

strengthening the sense of community. The communication tools are discussed in more depth in section 2.5.

## 4.5 EDN Membership

The inclusion of new members to the network will only take place where the convenor is convinced that this will enhance the critical mass of activities, expertise and resources of the network. There is an online procedure for applying for membership.

The list of all EDN members is found in the Register of Participants in Section 6.1.2.

## 4.6 Network Management

The convenor and network manager report on the operation of the network and the network activities at management meetings. Operational policies are defined and policy decisions are made. Funding proposals of up to \$10,000 are approved by the network convenor; proposals of up to \$40,000 are approved by the network executive; all other proposals are approved by the EDN board. The EDN board are notified of all approved funding proposals and the proposal documentation is available to board members online. Full reports are made on all funded activities, using the on-line reporting portal.

### 4.6.1 Local Representatives

The EDN local representatives also form the board. Each of the representatives plans their local activities in consultation with their local EDN members. It is important for EDN that all its partners have a high level of activities, exploiting the funding opportunities for networking. The team of local representatives play a crucial role in keeping up the level of activities and the rate of spending available funds appropriately.

The obligations of the local representatives are:

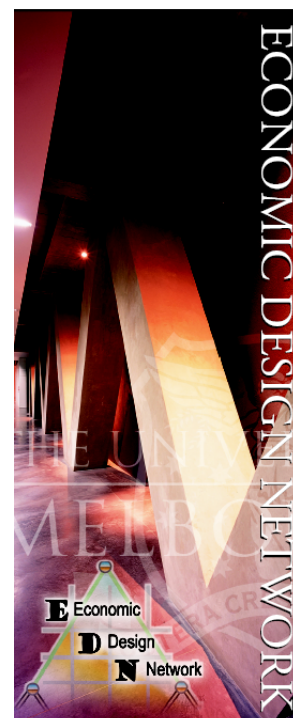
- Attend board/executive meetings as required;
- Approve expenditure/funding applications as per the Network's guidelines if need be;
- Have an input on policies that would govern the Network;
- Provide visitors details to network administrators to facilitate/maximise visitor interactions among institutions;
- Communicate Network policies, opportunities, events to other members within their institution;
- Organise the annual summer/winter school if their institution has been voted by the board to host it;
- Encourage the postgraduate students in their institution to apply for scholarships within the Network's guidelines; and
- Ensure that local EDN sponsored events are advertised as such.

## 4.7 Marketing Activities

A challenging task at the outset of EDN has been to market the network activities and opportunities among the EDN members and partner organisations. The newsletter and emails alert members to specific EDN events being held. The development of a logo and banner is also designed to provide EDN with a visible identity.

### 4.7.1 Logo, Banner and Promotional Material

A logo and banner have been designed to give EDN an organisational identity. The logo and website address of the Network is provided to all EDN events. A two-meter pull up banner has been made for promotion at events organised at the Administering Institution. The same banner is available electronically on the website for use by other organisations.



A generic brochure was is available, giving a brief overview of the EDN and EDN activities to be handed out at events, as well as inserted in conference bags for events that the EDN has sponsored. The EDN created a set of customisable web-templates to enable contributing and linked institutions to establish an EDN page on their websites which advertises any activities that may be taking place at their institution and details of the network. The templates are available to be downloaded from the EDN website. The network has six posters of the EDN logo and banner which can be displayed at EDN sponsored events.

#### 4.7.2 Funding Administration

The Network will fund activities that are consistent with its objectives. These activities may include

- Conferences and workshops;
- The Annual Winter School;
- Research Workshops;
- Visitor programs;
- Professional training programs;
- PhD Travel Scholarships;
- Academic Collaborations;
- Policy forums and round tables; and
- Support for the development of experimental economics.

The Network will not normally provide direct support for research projects as such. The EDN website allows for applications for funding to be received online, and streamlines distributed review and approval procedures. To be eligible to receive an EDN grant, the applicant must be registered as an EDN member. A grant is reviewed based on the funding rules for each program. Depending on the amount of funds requested, the relevant person/people then make a decision.

Full reports must be made on all funded activities, using the form available to EDN members on the EDN website. All funded proposals must comply with the requirements of the ARC Network Funding Agreement.

The preferred funding model is that funded projects be managed by participating institutions, who will invoice the EDN for the project cost. The participating institution will be responsible for accountability and financial management of the project and for reporting to the EDN as required under the ARC Research Network Agreement.

## 5 Budget and Financial Reports

### 5.1 Financial Accounts 2008

All funding received from the ARC and contributing institutions has been placed in an account with expenditure for the institutions being placed in separate cost centres. The to-date financial statement is presented and approved by the Executive during each of their four yearly meetings. The latest statement is then available on the website, which EDN members can access.

#### 5.1.1 2008 Financial Statement

<b>ARC ECONOMIC DESIGN NETWORK</b>		
<b>Income &amp; Expenditure as at 31 December 2008.</b>		
<b>INCOME</b>	<b>In-Kind</b>	<b>Cash</b>
California Institute of Technology	\$	30,000
George Mason University	\$	10,000
University of New South Wales	\$	20,000

Australian Research Council		\$	324,809
Australian National University	\$	5,000	\$ 10,000
Melbourne University contribution	\$	20,000	\$ 22,000
University of Sydney contribution	\$	15,000	\$ 15,000
Auckland University contribution			\$ 9,992
University of Queensland contribution			\$ 5,000
returned funds from Uni Syd			\$ 59,993
carryforward cash balance from 2007 (EDN Central Funds)			\$ 235,188
<b>TOTAL INCOME</b>	<b>\$</b>	<b>100,000</b>	<b>\$ 681,982</b>
carryforward cash balance from 2007 (Held by Institutions)			\$ 44,024
<b>EXPENDITURE</b>			
<b>Administration and Communication</b>			
<b>Administration</b>			
Salaries - Convenor			43,645
Salaries - Manager			41,976
Executive/Board Meeting Expenditure			15,440
	<b>Total Administration</b>		<b>101,061</b>
<b>Communication</b>			
ASSA Reception			6,107
Web			39,487
Network Communication			26,325
	<b>Total Communication</b>		<b>71,918</b>
<b>Research and Policy</b>			
<b>Academic Collaboration Projects</b>			
Melbourne-India			14,337
Melbourne - Artemov/Kvasov			4,000
UNSW			27,800
	<b>Total Academic Collaboration Projects</b>		<b>46,137</b>
<b>Conference Sponsorship</b>			
ESAM08			35,000
Pan Pacific Conference on Game Theory			11,921
ESAM09			20,000
	<b>Total Conference Sponsorship</b>		<b>66,921</b>
<b>Public Policy Program</b>			
Workshop - Auctioning Greenhouse Gas Permits - UNSW(07)			28,000
Climate Change - Canberra			2,204
Emissions Trading Design Workshop			13,636
	<b>Total Public Policy Program</b>		<b>43,840</b>
<b>Research Workshops</b>			
Exp Eco for Enviro & Resource Economists - CSIRO			1,818
26th Australasian Economic Theory Workshop			6,600
Behavioural Eco Workshop - Monash			5,659
Organisational Eco Workshop - University of Sydney			18,353
WMD08 - Melb Uni			10,000
3rd Australian Workshop on Exp Eco - Melb Uni			8,832
Summer Experimental Eco Workshop - Auckland			6,765
Managing Selection Analysis of Eco Outcomes - Uni Adelaide			-

	<b>Total Research Workshops</b>	<b>58,028</b>
<b>Training Workshops</b>		
Markets & Market Design III		3,263
Contracts & Incentives		3,263
	<b>Total Research Workshops</b>	<b>6,525</b>
<b>Visitor Programs</b>		
CSIRO Visitors (07)		13,743
ANU		26,279
UNSW		40,000
Melbourne		42,000
UQ - Jeroen Swinkels		7,000
Auckland (07)		11,610
Auckland (08)		21,810
Bond - Leandro Rego		1,400
	<b>Total Visitors Programs</b>	<b>163,843</b>
<b>PhD Travel Grants</b>		
Auckland - Helen Huang		2,423
Winter School		19,387
	<b>Total PhD Travel Grants</b>	<b>21,810</b>
<b>Winter School</b>		
Money & Pricing		73,590
	<b>Total Winter School</b>	<b>73,590</b>
	<b>TOTAL EXPENDITURE</b>	<b>653,673</b>
	<b>CARRY FORWARD AMOUNT</b>	<b>\$28,309</b>

<b>Institution held funds</b>	<b>2008 Carry forward</b>
Uni of Auckland – Visitor	17,500
ANU – Visitor	8,229
Uni Melbourne - Visitors	7,158
UTS - Round Table	11,137
<b>TOTAL</b>	<b>44,024</b>

<b>Institution held funds</b>	<b>2009 Carry Forward</b>
Visitors Program - ANU	12,637
Visitors/Academic Collab - UNSW	11,000
Visitors Program - Melbourne	22,281
UTS - Round Table	11,137
<b>TOTAL</b>	<b>57,055</b>

## 5.1.2 Budget 2009

A preliminary budget was presented at the February 2009 Board meeting, where the 2009 Budget was presented and approved.

The approved budget details are below:

<b>ARC ECONOMIC DESIGN NETWORK</b>			
<b>2009 BUDGET</b>			
<b>INCOME</b>		<b>In-Kind</b>	<b>Cash</b>
California Institute of Technology	\$	30,000	
George Mason University	\$	10,000	
University of New South Wales	\$	20,000	
Australian Research Council			\$ 150,000
Australian National University	\$	5,000	\$ -
Melbourne University contribution	\$	20,000	\$ 20,000
University of Sydney contribution	\$	15,000	\$ 15,000
University of Auckland contribution			\$ 10,000
University of Queensland contribution			\$ 5,000
returned funds from NZIER			\$ 9,600
returned funds from Auckland			\$ 26,273
Carry forward from 08			\$ 28,309
<b>TOTAL INCOME \$</b>		<b>100,000</b>	<b>\$ 264,182</b>
<b>funds owed by institutions</b>			
ESAM09			\$ 20,000
Round Table - UTS (07)			\$ 11,137
Visitors Program - ANU			\$ 12,637
Visitors/Academic Collab - UNSW			\$ 11,000
Visitors Program - Melbourne			\$ 22,281
			<b>\$ 77,055</b>
<b>Total Available Funds</b>			<b>\$ 341,237</b>
<b>Expenditure</b>			
<b>Administration and Communication</b>			
<b>Administration</b>			
Salaries			55,000
<b>Total Administration</b>			<b>55,000</b>
<b>Communication</b>			
ASSA09			6,000
<b>Total Communication</b>			<b>6,000</b>
<b>Research and Policy</b>			
<b>Academic Collaboration Projects</b>			
University of Adelaide			2,500
<b>Total Academic Collaboration Projects</b>			<b>2,500</b>
<b>Conference Sponsorship</b>			
ESAM09			20,000
ESA Meeting 2010			10,000
<b>Total Conference Sponsorship</b>			<b>30,000</b>

<b>PhD Travel Grant Programs</b>		
Winter School		20,000
	<b>Total PhD Travel Grant Programs</b>	<b>20,000</b>
<b>Research Workshops</b>		
27th Australasian Eco Theory Workshop		8,000
4th Workshop on Experimental Economics		13,500
Annual Health Eco Workshop**		11,137
Summer Workshop in Industrial Organisation		3,150
	<b>Total Research Workshops</b>	<b>35,787</b>
<b>Visitor Programs</b>		
UQ		10,000
Auckland		10,000
Sydney		10,000
UNSW**		10,000
ANU**		10,000
Melbourne**		10,000
	<b>Total Visitors Programs</b>	<b>60,000</b>
<b>Winter School</b>		
Winter School - Repeated Games and Reputations		50,000
	<b>Total Winter School</b>	<b>50,000</b>
	<b>TOTAL EXPENDITURE</b>	<b>259,287</b>
	<b>Projects approved but not yet invoiced</b>	<b>47,109</b>
	<b>Total Commitments</b>	<b>306,396</b>
	<b>TOTAL AVAILABLE</b>	<b>\$34,841</b>

\*\* Money from 09 Carry Forward

<b>Projects Approved but not invoiced</b>	<b>Amount</b>
Visitors Program - UNSW (07)	20,873
Visitors Program - CSIRO	7,108
Academic Collaboration - UNSW (07)	9,343
Academic Collaborations - Uni of Auckland (07)	4,200
Academic Collaborations - Uni of Auckland - Dr. Arkadii Slinko	2,050
Academic Collaborations - ANU	3,535
<b>TOTAL</b>	<b>47,109</b>

As shown in the 2009 Budget projections, it is anticipated that the carry forward amounts will be spent in 2009.

Research Network Convenor:



March, 2009

## 6 Appendices

### 6.1 EDN Members

#### 6.1.1 Institutional Members

- The University of Melbourne  
<http://www.economics.unimelb.edu.au/economics.htm>
- The University of Sydney  
<http://www.econ.usyd.edu.au/econ/>
- The University of Auckland  
<http://www.business.auckland.ac.nz/comwebcontent/1/7/20/142.html>
- The University of Queensland  
<http://www.uq.edu.au/economics/>
- CSIRO Sustainable Ecosystems  
<http://www.cse.csiro.au/>
- The University of New South Wales  
<http://www.economics.unsw.edu.au/>
- The Australian National University  
<http://www.cbe.anu.edu.au/schools/eco/>
- California Institute of Technology, Laboratory for Experimental Economics and Social Science  
<http://eeps.caltech.edu/>
- George Mason University, The Interdisciplinary Centre for Economic Science  
<http://www.ices-gmu.org/>

##### 6.1.1.1 *Linked Institutions*

- The Economic Theory Centre (ETC), University of Melbourne  
<http://www.economics.unimelb.edu.au/dept/ETC/ETCMain.htm>
- Australian Centre of Regulatory Economics (ACORE), Australian National University  
<http://www.acore.org.au/>
- The Centre for Economic Learning and Social Evolution (ELSE), University College London  
<http://else.econ.ucl.ac.uk/newweb/index.php>
- The University of Canterbury  
<http://www.econ.canterbury.ac.nz/>
- Victorian Department of Premier and Cabinet (DPC)  
<http://www.dpc.vic.gov.au/>
- Victorian Department of Primary Industries (DPI)  
<http://www.dpi.vic.gov.au/dpi/>
- Centre for Energy and Environmental Markets (CEEM), University of New South Wales  
<http://www.ceem.unsw.edu.au/content/Index.cfm?ss=1>
- Centre for Health Economics Research and Evaluation (CHERE), University of Technology Sydney  
<http://www.chere.uts.edu.au/>
- Intellectual Property Research Institute of Australia (IPRIA)  
<http://www.law.unimelb.edu.au/ipria/>

- Victorian Department of Sustainability and Environment (DSE)  
<http://www.dse.vic.gov.au/dse/index.htm>
- Economic Theory Group, Abteilung Wirtschaftstheorie  
<http://www.wvz.unibas.ch/witheo/index.html>
- Motu Economic Public Policy Research – New Zealand  
<http://www.motu.org.nz/>

### 6.1.2 Individual Members

Name	Institution	Highest Qualification	GAMS ID
Aaron Binns	University of Sydney	B.Econ (Hons)	N/A
Abhijit Sengupta	University of Sydney	Ph.D	N/A
Abigail Brown	University of Technology Sydney	PhD	N/A
Ahmed Khalid	Bond University	Ph.D.	N/A
AJ Bostian	University of New South Wales	PhD	G62906
Akihito Asano	The Australian National University	Ph.D	N/A
Alan Woodland	University of New South Wales	PhD	E00623
Alfred Dockery	Curtin University of Technology	PhD	Z41691
Ali Khan	Johns Hopkins	Ph. D.	N/A
Alistair Munro	Royal Holloway University of London	D.Phil	N/A
Alvin Etang	University of Otago	Master's degree	N/A
Ananish Chaudhuri	University of Auckland	Ph.D.	N/A
Andrea Kutinova	University of Canterbury	PhD	N/A
Andrew Leigh	Australian National University	PhD	E45197
Andrew McLennan	University of Queensland	Ph.D.	N/A
Andrew Reeson	CSIRO	PhD	N/A
Andrew Wait	University of Sydney	PhD	P52684
Anke Leroux	La Trobe University	PhD Cambridge UK	N/A
Anna Gunnthorsdottir	agsm	ph.d.	M36756
Anna Straton	CSIRO	PhD	N/A
Anthea Coggan	CSIRO	Masters	N/A
Anthony Scott	University of Melbourne	PhD	V09157
Anu Rammohan	University of Sydney	PhD	V53210
Anupama Sethi	Monash University	M.Phil	N/A
Anurag Sharma	Monash University	PhD	N/A
Anwar Shah	Economics & Commerce University of Melbourne	M.Phil	N/A
Arghya Ghosh	University of New South Wales	PhD	B82440
Arkadii Slinko	The University of Auckland	PhD	A64082
Begoña Domínguez	The University of Auckland	Ph D in Economics Universitat Autònoma de Barcelona	U16737
Ben Greiner	University of New South Wales	PhD	N/A
Benoit Julien	University of New South Wales	PhD	N/A
Bhavna Chandra	University of Melbourne	Bachelor of Commerce (Honours)	N/A
Bill Schworm	UNSW	PhD	T68825
Bin Guan	School of Economics University of Adelaide	Master of Economics	N/A
Biniam Kitaw	Ethiopian Telecommunication Corporation	BA Degree in Economics	N/A

Brian Scott	Washington College/CSIRO/see-lab at SIRCA	Ph. D.	N/A
Bruce Hollingsworth	Monash University	PhD	C44156
Bruce Tucker	Department of Treasury and Finance Victoria	Honours degree in economics	N/A
Carlos Pimienta	The University of New South Wales	PhD	N/A
Carmit Schwartz	UNSW	MEc	N/A
Catherine de Fontenay	University of Melbourne	PhD	N/A
Changxia Ke	The University of Adelaide	Master of Economics (coursework)	N/A
Charles Noussair	Emory	PhD	N/A
Charles Plott	Caltech	Ph.D	N/A
Chia-Ying Chang	Victoria University of Wellington	PhD	N/A
Chongwoo Choe	Australian Graduate School of Management	PhD	R47175
Chris Bidner	UNSW	PhD	N/A
Chris Geller	Deakin University	Ph.D.	N/A
Christian Roessler	University of Queensland	MSc	N/A
Christian Schade	Humboldt Universitaet Berlin Germany	Ph.D. plus Habilitation	N/A
Dan Clowes	Griffith University	Honours	N/A
Dan Kovenock	Purdue	Ph.D. Economics	N/A
David Butler	University of Western Australia	PhD	D89393
David Pannell	University of Western Australia	PhD	Y00473
David Prentice	La Trobe	PhD	X09736
Denise Doiron	UNSW	PhD	H84281
Diego Aycinena	Universidad Francisco Marroquin	Ph.D.	N/A
Dinusha Dharmaratna	Monash university	BSc. (hons)	N/A
Dmitriy Kvasov	University of Auckland	Ph.D.	E32908
Duc Vo Hong	The University of Western Australia	Master of Economic Studies	N/A
El-hadj Bah	The University of Auckland	PhD	N/A
Elias Khalil	Monash University	PhD	D29943
Elizabeth Savage	University of Technology Sydney	MSc(Econ) LSE	Y00538
Emily Hall	Access Economics	Bachelor (hons)	n/a
Eswaran Somanathan	Indian Statistical Institute	Ph.D. (Economics)	N/A
Farshid Vahid	Australian National University	PhD	L03767
Fernando Camacho	University of Queensland	Master of Economics	N/A
Flavio Menezes	University of Queensland	PhD	S83135
Francesca Colombo	OECD	MSc	N/A
franco mennella	university of Naples	graduate degree	N/A
Frank Milne	Queen's	Ph.D.	N/A
Frank Stähler	University of Otago	PhD	N/A
Frans van Winden	CREED, Department of Economics, University of Amst	Dr	N/A
Gary Stoneham	DSE	MSc	G08283
Gautam Bose	UNSW	PhD	N00528
George - Marian Isbasoiu	Catholic University of Leuven	MA	N/A
Georgy Artemov	University of Melbourne	Ph.D.	N/A
Glenn Jones	Department of Economics Macquarie University	MEc	N/A
Greg Hertzler	University of Western Australia	PhD	AA4307

Hadi Yektas	University of Melbourne	PhD	N/A
Harry Clarke	La Trobe	PhD	C10012
Heather Anderson	Australian National University	PhD in Economics	C61460
Heikki Rantakari	Marshall School of Business University of Souther	Ph.D.	N/A
Heiko Gerlach	Auckland	PhD	S80730
Helen Huang	The University of Auckland	Bcom(Honours)	N/A
Henry Cutler	The CIE	M.Ec (Hons)	N/A
Herve Moulin	Rice	PhD	N/A
Hodaka Morita	University of New South Wales	PhD	F83528
Horag Choi	The University of Auckland	Ph.D. in Economics	N/A
Hugh Outhred	UNSW	PhD	G00782
Hugh Sibly	University of Tasmania	PhD	N/A
Hugh Wilson	KPMG	MCom (honours)	N/A
Iain MacGill	University of New South Wales	PhD	NA
Ian King	University of Melbourne	PhD	N/A
Ilke Onur	University of New South Wales	PhD	N/A
Indranil Chakraborty	National University of Singapore	Ph.D.	N/A
Ingrid Burfurd	Department of Sustainability and the Environment	Honours in Economics	N/A
Isaac Poole	University of Sydney	Bachelor of Economics (Hons)	N/A
Ishita Chatterjee	Monash University	M.Phil	N/A
Jacek. Krawczyk	Wellington	PhD	N/A
Jaime Alonso-Carrera	University of Vigo	Doctor	N/A
James Albrecht	Georgetown University	Ph.D.	N/A
Jan Libich	La Trobe University	PhD	V23116
Jane Hall	UT Sydney / CHERE	PhD	W72251
Jane Hall	University of Technology Sydney	PhD	w72251
Jeffrey Kline	Bond University	PhD	N41009
Jeremy Clark	University of Canterbury	PhD	N/A
Jiao Wang	Access Economics	Ph.D Economics	N/A
Jitendra Mishra	Jaypee Business School JIIT University	Ph.D.	N/A
Jodylyn Quijano-Arsenio	University of Santo Tomas	Ph.D. in Economics	N/A
John Finlayson	New South Wales Department of Primary Industries	PhD	N/A
John Freebairn	Melbourne University	Ph	A00315
John Hillas	Auckland	PhD	H79525
John McMillan	Stanford	PhD	N.A.
John Quiggin	Queensland	PhD	I00619
John Stachurski	Melbourne	PhD	P76637
John Tisdell	Griffith University	PhD	n/a
John Ward	CSIRO Land and Water	Ph.D	W86583
Jongsay Yong	University of Melbourne	PhD	P95799
Jose A. Rodrigues Neto	Australian National University	PhD	N/A
Joshua Gans	Melbourne	PhD	Z00999
Juergen Eichberger	University of Heidelberg	Dr.	N/A
Julia Witt	University of Melbourne	Ph.D.	N/A
Junsang Lee	The Australian National University	PhD	N/A
Karel Nolles	University of Sydney Ag & Resource Eco	Bachelor	n/a

Kathryn Perez	University of Melbourne		N/A
Katie Yates	Access Economics	B Comm (Hons)	n/a
Kenneth Binmore	University College London	Ph D	N/A
Kevin Fox	UNSW	PhD	J00625
Khan Hayat	La Trobe University	PhD	N/A
Kieron Meagher	UNSW and ANU	PhD	X74261
Kompal Sinha	Centre for Health Economics	PhD	N/A
Kylie Tabone	Kendle	Masters	N/A
Lana Friesen	University of Queensland	PhD	n/a
Lata Gangadharan	Melbourne	Ph.D	M96960
Lisa Cameron	University of Melbourne	PhD	M59810
Lisa Gold	Deakin University	MSc	J13692
Loris Strappazon	DPI	Masters Commerce	N/A
Louise Collis	ANU	M.Ec	N/A
Ludovic Renou	University of Leicester	Ph.D.	N/A
Luke Boosey	California Institute of Technology	BEcon(Hons)	N/A
Marco Bennati	Il Faculty of Engineering - Cesena (Italy)	N/A	N/A
MARIA JESUS FREIRE-SEREN	UNIVERSITY OF VIGO	N/A	N/A
Maria Racionero	ANU	PhD in Economics	E23082
Marion Haas	CHERE University of Technology Sydney	PhD	J63210
Mark Weder	University of Adelaide	PhD	D70894
Maroia Servátka	Department of Economics University of Canterbury	Ph.D.	maros
Martin Berka	Massey University	PhD	N/A
Martin Byford	University of Colorado Boulder	PhD	N/A
Martin Osborne	Toronto	PhD	Q79246
Martin Richardson	ANU	PhD	K38162
Matthew Ryan	University of Auckland	PhD	c54601
Meg Paichayontvijit	The University of Auckland	Master	N/A
Michael Burton	University of Western Australia	PhD	AB1740
Michael Harris	University of Sydney	PhD	N/A
Michael McLure	University of Western Australia	PhD	X38410
Michael Peters	UBC	Phd	N/A
Michael Ryall	University of Melbourne	Ph.D.	N/A
Michelle Cunich	University of Sydney	Master of Economics	N/A
Mladen Kovac	WorkCover NSW	MEc	N/A
Mohammad Halimi	Hi-Tech Industries Center	M.Phil.	N/A
Monika Binder	Productivity Commission	Master of Economics	N/A
Munirul Haque Nabin	Deakin University	Ph.D.	N/A
Murali Agastya	Sydney	Ph.D	E94229
Nadezhda Baryshnikova	University of Adelaide	PhD in Economics	N/A
Nicholas Taylor	Outcrop	Master of International Studies	n/a
Nicola Lansdell	DPI	B Arts/Commerce (Hons Economics)	NA
Nicolas de Roos	Sydney	PhD (Economics) - Yale	S17258
Nikos Nikiforakis	The University of Melbourne	PhD	N/A
Nilss Olekalns	University of Melbourne	PHD	N/A
Nisvan Erkal	Melbourne	PhD	Y10705
Pablo Guillen	The University of Sydney	Ph.D.	N/A

Paone Valerie	Pantheon-Assas & Arts et Métiers de Paris	Finishing PHD in March 2008	N/A
Patrick Wu	Australian Competition & Consumer Commission	Master of Economics	N/A
Paul Blacklow	University of Tasmania	PhD	N/A
Paul Brown	School of Population Health, University of Aucklan	PhD	NA
Paul Chen	Australian National University	PhD	N/A
Paul Edney	Consultant	EMPA	N/A
Pawin Siriprapanukul	ANU	M.A.	N/A
Penelope-Jane Fry	University of Queensland	Bachelor's Degree with Honours by Thesis. (Current PhD Candidate)	N/A
Penny Taylor	Access Economics	Master of Commerce (Honours)	N/A
Peter Bardsley	University of Melbourne	PhD	A05150
Peter Wakker	Erasmus University Rotterdam	professor	N/A
Philip Clarke	School of Public Health University of Sydney	PhD	NA
Philipp Koellinger	Erasmus University Rotterdam	Dr. rer. pol.	N/A
Phong Ngo	Australian National University	PhD	n/a
Preeta Philip	University of Melbourne	MBA	n/a
Preety Ramful	Monash University	PhD (ongoing)	n/a
Pushkar Maitra	Monash University	Ph.D.	L25217
Quentin Grafton	ANU	PhD	G02996
Radovan Vadovic	Instituto Tecnológico Autónomo de México (ITAM)	Assistant Professor	N/A
Raghu Bista	Tribhuvan University, Patan Multiple Campus, depar	Master Degree	N/A
Raja Junankar	University of Western Sydney	Ph.D.	I00789
Ralf Steinhauer	ANU	Ph.D.	U35652
Ralph-Christopher Bayer	University of Adelaide	PhD	K82140
Ravshan Kuchkarov	IC	MA	N/A
Regina Betz	University of New South Wales	PhD	N/A
Reiko Aoki	University of Aucklad	PhD	K22744
Renuka Sane	UNSW	M.A. Economics	N/A
Rhema Vaithianathan	Auckland	PhD	X63071
Richard Cornes	Australian National University	PhD	J46512
Richard Dutu	University of Waikato	PhD	N/A
Robert Marks	UNSW	PhD	Z00478
Rohan Pitchford	University of Sydney	PhD	Y77668
Roko Aliprantis	Purdue University	PhD	N/A
Roland Hodler	Department of Economics University of Melbourne	PhD	N/A
Ronald Stauber	Australian National University	Ph.D	N/A
Rosalie Viney	UT Sydney / CHERE	PhD	F74487
Rosemary Humberstone	University of Melbourne	B.Sci/B.Com(Hons)	N/A
Samarth Vaidya	Deakin University	Ph.D.	N/A
Samir Chopra	CUNY	Ph.D	H91253
Sang-Wook (Stanley) Cho	University of New South Wales	PhD	N/A
Sarah Nankervis	Department of Sustainability & Environment	B. of Economics (Hons)	n/a
Shane Evans	Australian National University	B.Sc B.Ec (Hons)	N/A

Shaun Vahey	Melbourne Business School	PhD	N/A
Shino Takayama	University of Queensland	Ph.D.	N/A
Shravan Luckraz	Bond University	Ph.D.	NA
Simon Anderson	Virginia	PhD	N/A
Simon Angus	Monash University	Ph.D	N/A
Simon Grant	Rice	PhD	J00250
Simon Loertscher	University of Melbourne	Doctorate	N/A
Simona Fabrizi	Massey University Auckland	Ph.D. in Economics (University of Toulouse)	N/A
Soo Hong Chew	Hong Kong University of Science and Technology	Ph.D.	N/A
Souresh Saha	Department of Economics, The National University o	Ph.d	N/A
Sreedhari Desai	University of Utah	MS (Finance)	N/A
Steffen Lippert	Massey University Auckland	Docteur en sciences economiques / Dr. rer. pol.	N/A
Stephane Mahuteau	Macquarie University	Ph D	C33597
Stephanie McWhinnie	University of Adelaide	PhD	N/A
Stephen Cheung	The University of Sydney	PhD	N/A
Steve Hatfield Dodds	Australian Depatment of Climate Change	PhD	N/A
Steve Schilizzi	University of Western Australia	PhD	H60596
Steven Stillman	Motu Economic and Public Policy Research	Ph.d	N/A
Steven Tucker	University of Canterbury	PhD	N/A
Steven Wu	The Ohio State University	Ph.D.	N/A
Stuart Kells	State Services Authority	Masters	N/A
Stuart Whitten	CSIRO	PhD	M03621
Suraj Prasad	University of New South wales	PhD	N/A
Susan Athey	Stanford	PhD	N/A
Susan Vroman	Georgetown University	Ph.D.	N/A
Suzi Kerr	Motu Economic and Public Policy Research	PhD Economics Harvard	N/A
Suzy Goldsmith	University of Melbourne	MSc(Water Eng)	n/a
Sven Feldmann	University of Melbourne	PhD	N/A
Svetlana Danilkina	Melbourne	Master of Economics	N/A
Szilvia Papai	Concordia University	PhD	N/A
Takemi Fujikawa	University of Western Sydney	PhD in Economics	N/A
Tara Wong	University of Melbourne	UNSW Foundation	N/A
Tarun Jain	University of Virginia	M.A.	N/A
Tatyana Chesnokova	University of Auckland	PhD	N/A
Teresa Stewart	Victorian Department of Treasury and Finance	Bach (Hon) Economics	N/A
Thomas Nordblom	NSW DPI, CRC-Salinity, E.H. Graham Centre (CSU)	PhD in Agricultural & Resource Economics, Oregon State University	N/A
Tim Capon	Griffith University	BSc (honours)	W92418
Timo Henckel	Australian National University	PhD	N61944
Timothy Cason	Purdue University	Ph.D.	N/A
Timothy Kam	School of Economics Australian National Universit	Ph.D	N/A
Tina Kao	Australian National University	Ph.D	N/A
Utteeyo Dasgupta	Franklin and Marshall College	PhD in Economics	N/A

Uwe Dulleck	QUT - School of Economics and Finance	PhD Habilitation	N/A
Vai-Lam Mui	Monash University	Ph.D.	B98125
Vanessa Teague	University of Melbourne	PhD	E78919
Veronika Nemes	The University of Melbourne	PhD	N/A
Victor Lo	School of Economics UNSW	Masters	N/A
Virginie Masson	University of Adelaide	PhD	M97858
Vivek Chaudhri	Monash University	Ph.D. (Yale)	D94647
Vivian Lei	University of Wisconsin-Milwaukee	PhD	N/A
Vladimir Petkov	Victoria University of Wellington	PhD	N/A
Vladimir Smirnov	University of Sydney	PhD	D29647
Xiangyu Qu	Ohio State University	N/A	N/A
Xiao Gang CHE	University of Sydney	Master	N/A
Xiao Luo	Institute of Economics, Academia Sinica	Ph.D.	N/A
Xueli Tang	Deakin University	Master of Commerce	N/A
Yiyong CAI	CAMA Australian National University	PhD student at ANU MA in International Finance	N/A
Yuelan Chen	The University of Queensland	Ph.D.	N/A
Yuwen Dai	University of Washington	PhD in Economics	N/A
Yvan Lengwiler	Basel	doctorate	N/A
Zhang Wei	School of Economics The University of Adelaide	Master of Economics	N/A
Zhiming Cheng	Macquarie University	BEco	N/A

## 6.2 Publications by EDN Members

The following bibliography consists of published papers, where at least one of the authors is an EDN member (marked in dark red). Papers are arranged alphabetically in order of the first author appearing that is an EDN member. Information on accepted forthcoming papers has been collected directly from authors.

### 6.2.1 Published

Anderson S P, Goeree J & Holt C. "Logit Equilibrium Models of Anomalous Behavior: What to do when the Nash Equilibrium Says One Thing and the Data Say Something Else" (2008) *Handbook of Experimental Economic Results*, Charles Plott and Vernon Smith, eds., New York: Elsevier Press, 549-558.

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### 6.2.2 Forthcoming

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Anurag S, Gaiha R & Jha R. "Calorie and Micronutrient Deprivation and Poverty Nutrition Traps in Rural India" *World Development*, Forthcoming.

Anurag S. "Inter-DRG Resource Dynamics in a Prospective Payment System: A Stochastic Kernel Approach" *Health Care Management Science* Forthcoming.

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- Leigh A & Gans J.** "Born on the First of July: An (Un)natural Experiment in Birth Timing" *Journal of Public Economics*, forthcoming (working paper version: ANU CEPR DP 529)
- Leigh A & Neill C.** "Do Gun Buybacks Save Lives? Evidence from Time Series Variation" (2008) *Current Issues in Criminal Justice*, 20(2) forthcoming
- Leigh A.** "Does Child Gender Affect Marital Status? Evidence from Australia" *Journal of Population Economics*, forthcoming (working paper version: ANU CEPR DP 526)
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- Leigh A & Gong X.** "Estimating Cognitive Gaps Between Indigenous and Non-Indigenous Australians" (2008) *Education Economics*, forthcoming
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- Moulin H & Bogomolnaia A.** "Auctioning or assigning an object: some remarkable VCG mechanisms" *Social Choice and Welfare*, forthcoming.
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- Schworm W & Robert Russell R.** "Axiomatic Foundations of Efficiency Measurement on Data-Generated Technologies" *Journal of Productivity Analysis*, forthcoming, 2008.
- van Winden F & Bosman R.** (forthcoming) "Global Risk, Investment, and Emotions" *Economica*
- van Winden F, Ridderinkhof KR & Stallen M.** (forthcoming) On the Nature, Modeling and Neural Bases of Social Ties Daniel E. Houser and Kevin A. McCabe (eds) *Neuroeconomics, Vol. 19, Advances in Health Economics and Health Services Research* Emerald Insight Publishing.
- Rodrigues-Neto J.** "From Posteriors to Priors via Cycles" *Journal of Economic Theory* (forthcoming).
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Wakker P P, Bleichrodt H & Rohde K. (2008), "Koopmans" Constant Discounting for Intertemporal Choice: A Simplification and a Generalization" *Journal of Mathematical Psychology*, forthcoming.

Wakker P P. (2008), "Explaining the Characteristics of the Power (CRRA) Utility Family" *Health Economics*, forthcoming.

Wakker P P. (2008), "Explaining the Characteristics of the Power (CRRA) Utility Family" *Health Economics* Forthcoming.

### 6.2.3 Working Papers

The EDN established working paper series, is hosted online by the Social Sciences Research Network (SSRN). Listed below are the working papers submitted by EDN members in 2008 and which are available on the SSRN. EDN members are marked in violet.

Bose G. & Gangopadhyay S. (2008) "Intermediation in Corruption Markets"

Dulleck U, Franz Hackl, Bernhard Weiss and Rudolf Winter-Ebmer, Buying Online: Sequential Decision Making by Shopbot Visitors, CEPR Working paper 6939:

Loertscher S & Niedermayer A. "Fee Setting Intermediaries: On Real Estate Agents, Stock Brokers, and Auction Houses", CMS-EMS Discussion Paper Nr. 1472, Northwestern University.

Loertscher S & Muehlheusser G. "Dynamic Location Games", Working Paper Nr. 1042, University of Melbourne.

Menezes F M & Camacho F T. "Price Regulation and Investment: A Real Options Approach", May 2008.

Menezes F M. "Consistent Regulation of Infrastructure Businesses: Some Economic Issues", July 2008.

Moulin H & Bogomolnaia A. "Sharing the cost of a minimal cost spanning tree: beyond the Folk solution" October 2008.

Moulin H, Bogomolnaia A & Holzman R. "Sharing the cost of a capacity network", November 2008.

Moulin H. "Pricing traffic in a spanning network" December 2008

Moulin H. "Decentralized Pricing in Minimum Cost Spanning Trees" October 2008

Moulin H. "Sharing the cost of a minimal cost spanning tree: beyond the Folk solution" July 2008

Moulin H. "Sharing the cost of a capacity network" July 2008

Nemes V, Plott C. R. & Stoneham G. (2008) "Electronic Bushbroker Exchange: Designing a Combinatorial Double Auction for Native Vegetation Offsets"

Ryan M J. "Stochastic Choice and Expected Utility", July 2008.

## 6.3 Grants Awarded to EDN Members

Details below of ARC Grants received by one or more EDN members with funding shown for 2008:

### Discovery Grants – 2008

DP0877836 A/Prof CJ O'Donnell; Prof JC Quiggin; Dr RG Chambers

**State-contingent analysis of productivity, efficiency and innovation.**

2008 : \$ 142,859

2009 : \$ 147,370

2010 : \$ 147,370

**Project Summary**

Productivity growth is a fundamental precondition for sustainable improvements in living standards. The main drivers of productivity growth are technological innovation and improvements in the efficiency of resource use. Effective public policy in this area requires identification of these components. This project develops improved productivity measurement methods that are applicable in economic environments characterised by production and/or demand uncertainty. The methods will be used to obtain improved estimates of rates of innovation and changes in the relative efficiency of selected Australian enterprises. The empirical results will inform National Competition Policy and the process of microeconomic reform.

**DP0878012** Prof P Maitra; A/Prof BA Inder; Prof R Ray

**Living Standards, HIV/AIDS and its Impact on the Next Generation**

2008 : \$ 50,000

2009 : \$ 45,000

2010 : \$ 45,000

**Project Summary**

The spread of HIV /AIDS is a major international challenge, particularly for developing countries. Mostly among working-age adults, leading to significant loss of labour income and capacity has made a sizeable aid commitment in this area and to addressing poverty and nutritional. Through improved understanding of the interrelationships between wealth, HIV / AIDS and project will provide valuable insight to guide Australia' aid efforts, as well as contributing to the epidemic and its potential effects on the next generation.

**DP0878580** Prof EJ Anderson; A/Prof HR Outhred; Dr IF MacGill; Dr RA Betz

**Understanding the interactions between emissions trading and wholesale electricity markets**

2008 : \$ 150,000

2009 : \$ 142,000

2010 : \$ 136,000

**Project Summary**

Australia faces some critical decisions with regard to its commitment to reducing emissions of greenhouse gases. There are a variety of emissions-related trading schemes that operate at a State level, and there are now proposals to introduce a National scheme. This research will help in the design of an emissions trading scheme through the use of sophisticated models of the behaviour of individual generation companies operating in a complex market situation. Also this project will build the skill base of Australia in an area of increasing importance where a multi-disciplinary focus is critical.

**DP0881205** A/Prof DJ Doiron; Prof J Hall; Prof DJ Street

**The training and job decisions of nurses: an integrated approach using panel surveys and dynamic discrete choice experiments.**

2008 : \$ 100,000

2009 : \$ 110,000

2010 : \$ 110,000

2011 : \$ 110,000

2012 : \$ 110,000

**Project Summary**

The nursing shortage in Australia is considered to be at crisis stage. The results of this study will lead to improved recruitment and retention of students in nursing, improved retention of new nurses in the health workforce, better design of nursing roles and job structure, and testing of the acceptability of changed health service delivery models. It will also lead to better health workforce planning. The study directly contributes to filling the gaps in health labour force quantitative studies identified in a recent Productivity Commission Report, and provides a basis for the implementation of the Commission' recommendations.

**DP0881799** Prof IF Wilkinson; Prof RE Marks; Prof L Young

**Modelling the Development and Evolution of Business Relations and Networks as Complex Adaptive Systems using Agent Based Models**

2008 : \$ 41,866

2009 : \$ 39,053

2010 : \$ 39,053

### **Project Summary**

This research develops models that will allow managers and policy makers to play more effective roles in the development and evolution of collaborative business relations and networks that lead to greater efficiency, industry innovation, and firm competitiveness, which is a key focus of corporate management and government trade and industry policy. It will also enhance Australia' resources and expertise in understanding and modelling complex adaptive systems, help develop education resources and training programs for practitioners and researchers in this fast growing area of theory and research, strengthen links with leading researchers and centres, and produce a doctorate in the area.

**DP0879557** Dr A Ghosh; Dr H Morita

### **Economic Analyses of Competitor Collaboration: Theory, Evidence, and Policy**

#### **Implications**

**2008** : \$ 54,000

**2009** : \$ 50,000

**2010** : \$ 52,426

#### **Project Summary**

Several industries in Australia (eg. airlines, banking, and telecommunications) exhibit some common characteristics: few big firms, with significant market power, selling differentiated products. Given the level of market concentration in these industries, mergers are unlikely to improve welfare. However, is the same true for collaborations on value-creating activities? What decisions, if any, should any two firms be allowed to collaborate on? What are their effects on rival firms and consumers? The project will develop the first unifying framework to address these questions. Our research findings are expected to assist the competition policymakers in comprehensively assessing the welfare impacts of competitor collaborations.

**DP0878297** Dr E Magnani; Dr A Rammohan

### **Ageing in a developing country and its effects on intra-household resource allocation**

**2008** : \$ 57,846

**2009** : \$ 50,000

**2010** : \$ 61,941

#### **Project Summary**

The University of New South Wales Indonesia, our largest neighbour and our third largest recipient of AID, is among the fastest-growing elderly populations in Southeast Asia. Ongoing cultural and economic change means that the traditional reliance of elderly on family support is breaking down leaving the country' social fabric vulnerable. Understanding the linkages between ageing, ill-health and the labour market responses at the household level is the path to effectively intervene in the link between age and poverty and to successfully design policy that facilitates improvements in women' social status.

**DP0881537** A/Prof M Agastya; A/Prof S Chawla

### **Choice and Classification in complex and adversarial environments**

**2008** : \$ 62,000

**2009** : \$ 40,000

**2010** : \$ 46,000

#### **Project Summary**

Any policy must take account of individuals' incentives to strategically manipulate. Mechanism Design is an area of economic theory that addresses precisely this. In its theoretical development however, it overlooks practical constraints for monitoring behaviour. For instance, for fraud detection and credit scoring, automated statistical machine learning models discussed in computer science (CS) are used. Here, we constrain monitoring strategies to be such algorithms and address the monitoring of a population of individuals or a similarly constrained large adversary. Notable cross disciplinary implications exist for

**DP0879094** Prof R Tyers; Prof S Dowrick; Prof HM Anderson; Dr JE Golley

### **Approved Economic Growth and Real Exchange Rates**

**2008** : \$ 102,000

**2009** : \$ 105,000

**2010** : \$ 107,000

#### **Project Summary**

Exchange rate movements are important elements of Australia' economic environment. Protectionist interests in the US and Europe, constrained by WTO trade rules, accuse East Asian economies of deliberate undervaluation. While exchange rate movements are not

readily predictable in the short run, long run changes in underlying real exchange rates are amenable to economic analysis using structural models.

The clearer understanding of these forces, toward which this project is directed, will better guide investment in the region, including in Australia, and more importantly, it will better inform future policy debates surrounding currency movements.

**DP0881381 Dr S Basov; Dr MI Bhatti**

**Approved Mechanism design under bounded rationality: The optimal contracts in the complex world**

**2008** : \$ 25,000

**2009** : \$ 28,000

**2010** : \$ 30,000

**Project Summary**

The research will help to clarify the nature of optimal contracts in real life environments. An important feature of such environments is that they are complex so that actors cannot be assumed to behave fully rationally. We propose to address the question of optimal contract design under bounded rationality. Determining the incidence of costs of boundedly rational behaviour may provide foundations for some policy proposals in areas as diverse as industrial relations and income taxation in Australian settings.

**DP0879638 Dr J Libich; Dr A Hughes Hallett; Dr P Stehlik**

**Approved Monetary-fiscal policy interactions and their effect on economic performance: new theory, empirics, and an application to Australia**

**2008** : \$ 45,000

**2009** : \$ 47,000

**2010** : \$ 42,000

**Project Summary**

La Trobe University Both fiscal and monetary policy are powerful tools that affect the wellbeing of individuals. Even if current policies are "responsible", the social cost of uncertainty about the future is extremely high - to which the 2004 "high interest rates under Labour" election campaign or current heated fiscal debates in the US and EU testify. Our analysis will contribute to the reduction of the social cost by identifying the institutional setting that is robust to "bad" policymakers, i.e. one in which socially optimal policies are "institutionalized" (legislated) rather than resting with individuals. Such arrangements are further likely to stimulate investment and economic growth.

**DP0880429 Dr J Yong; Dr A Palangkaraya; Prof JW Freebairn**

**Approved Effects of Private Health Insurance on Health Care Usage and Health Outcomes in Australia**

**2008** : \$ 33,750

**2009** : \$ 28,695

**2010** : \$ 45,384

**Project Summary**

Australians spend more than \$7 billion each year on private health insurance (PHI), of which government subsidies amount to more than \$2 billion. There is, however, little understanding of how PHI affects health care usage and health outcomes. Having PHI is likely to result in better health for the insured, but more health resources are also likely to be used. Moreover, the health of the uninsured could be adversely affected if health resources available to the public hospital sector are reduced. This research will inform health policymaking on the effects of subsidising PHI on health care usage and health outcomes.

**Linkage Projects**

**LP0882983 Prof A Frino; Dr A Lepone; Prof JS Gans; Prof B Nalebuff**

**Approved Understanding market mechanisms to achieve greater efficiency in the Australian Project Title residential real-estate market**

**2008** : \$ 81,184

**2009** : \$ 71,518

**2010** : \$ 76,371

**Project Summary**

This project will provide information to policy-makers, vendors and purchasers, enabling the evolution of an optimal real-estate market, with significant benefits for individuals and the national economy. These benefits will be both short-term (current wealth) and long-term (retirement saving). It will promote Australia as the leader in constructing optimal, efficient

real-estate markets, which can be applied to similar real-estate markets around the world. Finally, training a research student will develop research infrastructure in Australia, and be a contribution to producing a generation of specialists who will add to Australia' international standing in financial research and its ability to manage an increasingly complex economy.

**LP0884095 Prof KJ Fox; A/Prof GD Otto; Prof WE Diewert; Mr ED Connolly; Mr D Parham**  
**Tackling the Tough Problems in Productivity Measurement: Infrastructure, Services and R&D**

**2008** : \$ 132,662

**2009** : \$ 208,080

**2010** : \$ 190,885

**2011** : \$ 180,840

**2012** : \$ 150,129

**2013** : \$ 84,756

**Project Summary**

Productivity is seen as a main driver of economic growth and welfare improvements. Productivity indexes are used in a variety of policy contexts, in particular in determining the effectiveness (or otherwise) of government policies.

Most industrialized countries have productivity accounts, but measurement problems persist and may even be more problematic in the future given an expansion in new goods and services. Improved productivity measurement and an improved understanding of its sources can inform aggregate and regional policy. The project includes collaboration with the Australian Bureau of Statistics and the Productivity Commission, with the participation of the Reserve Bank of Australia.

**LP0883525 Dr CM Burns; Prof K Mavromaras; Prof A Scott; Ms LC Gold; Dr MA Lawrence**  
**Obesity Prevention Among Low Income Families: Economic and Strategic Modelling**

**2008** : \$ 23,356

**2009** : \$ 47,538

**2010** : \$ 48,816

**2011** : \$ 24,634

**Project Summary**

This study will inform social and economic policies to improve the access and consumption of healthy foods in low income families. This will help prevent and treat obesity in these vulnerable groups.

**LP0884074 A/Prof U Dulleck; A/Prof B Torgler; Dr CJ Newton**  
**Using Heart Rate Variability measurements to identify the effects of stress on decision making**

**2008** : \$ 51,177

**2009** : \$ 74,452

**2010** : \$ 42,994

**2011** : \$ 19,719

**Project Summary**

Rationality and the willingness to cooperate is an important aspect of human decision making. Research shows that certain decisions not only cause stress but are also affected by it. Using modern mobile heart rate monitors, we are able to measure causes and consequences of stress in a controlled and natural environment. This research will help to provide better workplace environments by helping to design better organisations, decreasing the probability of workplace accidents, and advising employees how to better use their talents. This research also helps put Australia on the forefront of modern economic research that aims to open the ultimate "black box" of human decision making.



