



EUROPEAN COMMISSION
RESEARCH DG HUMAN RESOURCES
AND MOBILITY

RTN Periodic Activity Report

Project No.: 505223

Project Acronym: ENABLE

Project Full Name: European Network for the Advancement of
Behavioural Economics

Marie Curie Actions

RTN Periodic Activity Report

Period covered: from 01/04/2005 to 31/03/2006

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Project coordinator name:
Mr Frans VAN WINDEN

Duration: 48

Project coordinator organisation name:
UNIVERSITEIT VAN AMSTERDAM

Version: 1

Marie Curie Actions

RTN Periodic Activity Report

GENERAL INFORMATION

Project No.:	505223
Project acronym:	ENABLE
Project full name:	European Network for the Advancement of Behavioural Economics
Period number:	2nd
Period covered - start date:	01/04/2005
Period covered - end date:	31/03/2006
Project start date:	01/04/2004
Project duration [months]:	48
Project coordinator name:	Mr Frans VAN WINDEN
Project coordinator organisation name:	UNIVERSITEIT VAN AMSTERDAM
Date of submission:	30/05/2006

SUMMARY OF THE RECRUITMENT DURING THE REPORTING PERIOD

Contractor: UNIVERSITEIT VAN AMSTERDAM

Name of the Researcher (as stated at time of selection)	Type	Origin		Gender	Start date of recruitment (dd/mm/yy)	End date of recruitment (dd/mm/yy)	No. of full-time equivalent months covered by this recruitment during this reporting period
		Country	LFR				
Christian Traxler	ESR (<4 years)	DE-Germany	No	Male	01/01/2005	30/04/2005	1
M. Krawczyk	ESR (<4 years)	PL-Poland	Yes	Male	01/01/2006	01/01/2008	3
M. Kocher	ER (4-10 years)	AT-Austria	No	Male	01/03/2006	01/11/2006	1

Contractor: CENTRE FOR ECONOMIC POLICY RESEARCH

Name of the Researcher (as stated at time of selection)	Type	Origin		Gender	Start date of recruitment (dd/mm/yy)	End date of recruitment (dd/mm/yy)	No. of full-time equivalent months covered by this recruitment during this reporting period
		Country	LFR				

Contractor: UNIVERSITAET ZUERICH

Name of the Researcher (as stated at time of selection)	Type	Origin		Gender	Start date of recruitment (dd/mm/yy)	End date of recruitment (dd/mm/yy)	No. of full-time equivalent months covered by this recruitment during this reporting period
		Country	LFR				
Andreas Leibbrandt	ER (4-10 years)	DE-Germany	No	Male	01/08/2005	31/07/2008	11
Raul Lopez	ESR (<4 years)	ES-Spain	No	Male	01/12/2005	30/06/2006	4
Ferdinand von Siemens	ESR (<4 years)	DE-Germany	No	Male	01/01/2006	31/07/2006	3

Contractor: STOCKHOLM SCHOOL OF ECONOMICS - BUSINESS SCHOOL

Name of the Researcher (as stated at time of selection)	Type	Origin		Gender	Start date of recruitment (dd/mm/yy)	End date of recruitment (dd/mm/yy)	No. of full-time equivalent months covered by this recruitment during this reporting period
		Country	LFR				
Karen Khachatryan	ESR (<4 years)	AM-Armenia	No	Male	01/07/2005	30/06/2006	9
Ignat Stepanok	ESR (<4 years)	BG-Bulgaria	Yes	Male	01/07/2005	30/06/2006	9
Robertas Zubrickas	ESR (<4 years)	LT-Lithuania	Yes	Male	01/07/2005	30/06/2006	9

Contractor: INSTITUT D'ECONOMIE INDUSTRIELLE

Name of the Researcher (as stated at time of selection)	Type	Origin		Gender	Start date of recruitment (dd/mm/yy)	End date of recruitment (dd/mm/yy)	No. of full-time equivalent months covered by this recruitment during this reporting period
		Country	LFR				
Johannes Binswanger	ER (4-10 years)	DE-Germany	No	Male	01/04/2005	30/06/2006	12
Julia Nafziger	ESR (<4 years)	DE-Germany	No	Female	01/09/2005	31/12/2005	4

Contractor: LUDWIG-MAXIMILIANS-UNIVERSITAET MUENCHEN

Name of the Researcher (as stated at time of selection)	Type	Origin		Gender	Start date of recruitment (dd/mm/yy)	End date of recruitment (dd/mm/yy)	No. of full-time equivalent months covered by this recruitment during this reporting period
		Country	LFR				
Francesco Drago	ESR (<4 years)	IT-Italy	No	Male	01/09/2005	28/02/2006	6
Christina Strassmair	ESR (<4 years)	AT-Austria	No	Female	01/10/2005	30/09/2006	6

Contractor: UNIVERSITAET MANNHEIM

Name of the Researcher (as stated at time of selection)	Type	Origin		Gender	Start date of recruitment (dd/mm/yy)	End date of recruitment (dd/mm/yy)	No. of full-time equivalent months covered by this recruitment during this reporting period
		Country	LFR				
Antonio Adelson Pinon Rial	ESR (<4 years)	ES-Spain	No	Male	01/02/2005	31/08/2006	12
Anders Anderson	ER (4-10 years)	SE-Sweden	No	Male	01/09/2005	31/12/2005	4

Contractor: HARVARD UNIVERSITY

Name of the Researcher (as stated at time of selection)	Type	Origin		Gender	Start date of recruitment (dd/mm/yy)	End date of recruitment (dd/mm/yy)	No. of full-time equivalent months covered by this recruitment during this reporting period
		Country	LFR				

Contractor: PRINCETON UNIVERSITY

Name of the Researcher (as stated at time of selection)	Type	Origin		Gender	Start date of recruitment (dd/mm/yy)	End date of recruitment (dd/mm/yy)	No. of full-time equivalent months covered by this recruitment during this reporting period
		Country	LFR				

SUMMARY OF THE EMPLOYMENT FORECAST FOR THE NEXT REPORTING PERIOD

Contractor: UNIVERSITEIT VAN AMSTERDAM

Name of the Researcher	Type	Origin		Gender	Start date of recruitment (dd/mm/yy)	End date of recruitment (dd/mm/yy)	No. of full-time equivalent months in the next reporting period
		Country	LFR				
M. Krawczyk	ESR (<4 years)	PL-Poland	Yes	Male	01/06/2005	01/01/2008	12
M. Kocher	ER (4-10 years)	AT-Austria	No	Male	01/03/2006	01/11/2006	7

Contractor: CENTRE FOR ECONOMIC POLICY RESEARCH

Name of the Researcher	Type	Origin		Gender	Start date of recruitment (dd/mm/yy)	End date of recruitment (dd/mm/yy)	No. of full-time equivalent months in the next reporting period
		Country	LFR				

Contractor: UNIVERSITAET ZUERICH

Name of the Researcher	Type	Origin		Gender	Start date of recruitment (dd/mm/yy)	End date of recruitment (dd/mm/yy)	No. of full-time equivalent months in the next reporting period
		Country	LFR				
Andreas Leibbrandt	ER (4-10 years)	DE-Germany	No	Male	01/08/2005	31/07/2008	12
Raul Lopez	ESR (<4 years)	ES-Spain	No	Male	01/12/2005	30/06/2006	3
Ferdinand von Siemens	ESR (<4 years)	DE-Germany	No	Male	01/01/2006	31/07/2006	4
Bjoern Bartling	ESR (<4 years)	SE-Sweden	No	Male	01/04/2006	31/07/2006	4

Contractor: STOCKHOLM SCHOOL OF ECONOMICS - BUSINESS SCHOOL

Name of the Researcher	Type	Origin		Gender	Start date of recruitment (dd/mm/yy)	End date of recruitment (dd/mm/yy)	No. of full-time equivalent months in the next reporting period
		Country	LFR				
Karen Khachatryan	ESR (<4 years)	AM-Armenia	No	Male	01/07/2005	30/06/2006	3
Ignat Stepanok	ESR (<4 years)	BG-Bulgaria	No	Male	01/07/2005	30/06/2006	3
Robertas Zubrickas	ESR (<4 years)	LT-Lithuania	No	Male	01/07/2005	30/06/2006	3

Contractor: INSTITUT D'ECONOMIE INDUSTRIELLE

Name of the Researcher	Type	Origin		Gender	Start date of recruitment (dd/mm/yy)	End date of recruitment (dd/mm/yy)	No. of full-time equivalent months in the next reporting period
		Country	LFR				
Johannes Binswanger	ER (4-10 years)	DE-Germany	No	Male	01/04/2005	30/06/2006	3

Contractor: LUDWIG-MAXIMILIANS-UNIVERSITAET MUENCHEN

Name of the Researcher	Type	Origin		Gender	Start date of recruitment (dd/mm/yy)	End date of recruitment (dd/mm/yy)	No. of full-time equivalent months in the next reporting period
		Country	LFR				
Christina Strassmair	ESR (<4 years)	AT-Austria	No	Female	01/10/2005	30/09/2006	6

Contractor: UNIVERSITAET MANNHEIM

Name of the Researcher	Type	Origin		Gender	Start date of recruitment (dd/mm/yy)	End date of recruitment (dd/mm/yy)	No. of full-time equivalent months in the next reporting period
		Country	LFR				
Antonio Adelson Pinon Rial	ESR (<4 years)	ES-Spain	No	Male	01/02/2005	31/08/2006	5

Contractor: HARVARD UNIVERSITY

Name of the Researcher	Type	Origin		Gender	Start date of recruitment (dd/mm/yy)	End date of recruitment (dd/mm/yy)	No. of full-time equivalent months in the next reporting period
		Country	LFR				

Contractor: PRINCETON UNIVERSITY

Name of the Researcher	Type	Origin		Gender	Start date of recruitment (dd/mm/yy)	End date of recruitment (dd/mm/yy)	No. of full-time equivalent months in the next reporting period
		Country	LFR				

PROJECT ACHIEVEMENTS DURING THE REPORTING PERIOD

Research Achievements

1. Incentives (I1: Social preferences and norms; I2: Emotions and traits)

UvA:

The UvA team continued its work on the economic significance of emotions. Supported by experimental evidence the importance of affect (in particular, anger and shame) for justice was shown, questioning the role allocated to fairness in some recent models (Reuben and van Winden 2005, van Winden 2006b). A more general study argued in favour of incorporating affect into political economics. Taking account of affect improves our understanding of, and provides an explanation for, some little understood phenomena, like collective action (van Winden 2006a). Furthermore, attention was paid to the influence of time pressure on decision making, an important issue because many economic decisions have to be made under such pressure. Interestingly, experimental results showed that time-dependent payoffs under high time pressure lead to significantly quicker decision-making without reducing the quality of decisions (Kocher and Sutter 2005).

Mannheim:

An experimental study was conducted in order to investigate how induced mood (positive vs. negative) may influence preferences between options in a sunk cost task. Individuals in the positive mood condition were risk averse and did not take the prior loss into account. Participants in the negative mood condition displayed a sunk cost effect and felt worst about making decisions involving a prior loss. The results highlight the role of positive affect in the adoption of a gain frame in risky choice.

HHE:

We are working on several projects about incentives. In one project Tore Ellingsen and Magnus Johannesson are working on a theory about trust as an incentive. This work on motivation addresses the fact that many people seek to make a favourable impression on others. For example, people often behave so as to appear generous or fair. An important assumption of our work is that people have different expectations about others' values. Although this assumption is descriptively true, most theoretical work assumes that expectations are homogeneous. Among other things, we show that heterogeneous expectations can explain the negative effects of material incentives in some situations - the so-called motivational crowding out hypothesis. In this regard, our theory is unique in being able to explain fully the hidden costs of control that were recently identified experimentally by Falk and Kosfeld. We also give new conditions under which the optimum material incentive is a flat wage, and we describe the optimum use of praise as an incentive device. More generally, our approach offers a formalization of the "symbolic interactionism" paradigm in sociology. In another experimental project Ellingsen and Johannesson (together with Jannie Lilja and Henrik Zetterqvist) has tested how good and bad relationships affect trust and bargaining outcomes. They find that communication improves bargaining outcomes in good relationships, but has no effect in bad relationships. Magnus Johannesson has also (together with Carl Mellstrom) carried out a field experiment about incentives to donate blood to test if monetary incentives will reduce the supply of donors (the so called crowding out hypothesis). They find a crowding out effect for women but not for men. They furthermore find that adding an option to donate the monetary compensation to charity counteracts the crowding out effect for women. In another project Magnus Johannesson (together with Lars Borgquist and Fredric Jacobsson) has tested if individuals are paternalistic altruists with respect to other individuals health. They find strong evidence for health-oriented paternalistic preferences. Magnus Johannesson and Erik Mohlin has tested if communication increase generosity because of the content of the communication (that may for instance affect norms) or because it strengthens the relationship between the communicating parties. They find that both effects are important.

Munich:

The Munich Team continued to conduct research on the influence of social preferences on optimal incentive provision. In particular, Fehr, Klein and Schmidt (2005) show experimentally and theoretically the impact of social preferences on the optimal choice of incentive contracts. The focus in Fehr, Naef and Schmidt (2006) is the influence of the composition of subject pools in experiments

on observed outcomes. This line of research documents that theories of social preferences like inequity aversion are often much more successful in explaining observed behaviour than standard economic theory. Sutter and Strassmair (2006), study the effects of communication in an experimental tournament between teams. Fehr and Schmidt (2006) provide a comprehensive overview of this literature. Theoretical work on optimal incentive provision for agents with social preferences (Englmaier and Wambach (2005) and Bartling (2006)) shows that observed features of real world contracts, e.g. linearity or the absence of relative performance evaluation, which cannot be explained by the standard theory, can often be explained by the optimal reaction of a principal to the agents social preferences. Herold (2005) shows that contractual incompleteness can be explained by the contracting parties desire to signal their mutual trust. Siemens (2006b) analyzes the impact of inequity aversion in a situation of adverse selection. Englmaier (2005) provides a survey of this fast-growing theoretical literature on behavioral contract theory.

Harvard University:

David Laibson is working on two projects regarding emotional decision-making.

Princeton University:

Roland Benabou worked with Jean Tirole on Incentives and Prosocial Behaviour. Faruk Gul and Wolfgang Pesendorfer worked on Interdependent Preferences.

Zurich:

Michael Kosfeld, Urs Fischbacher, and Ernst Fehr published two papers in Nature and the American Economic Review on the impact of the neuropeptide oxytocin on human trust. Michael Kosfeld conducted several new experiments on the impact of control on voluntary motivation, which led to the acceptance of the paper in the American Economic Review. Ernst Fehr developed several experimental designs with Klaus Schmidt on how social preferences shape contract choices.

2. Dynamic Choice (D1: Optimisation and optimal contracting; D2: Investment)

UvA:

The UvA team further investigated the role of affect in investment decisions, in case of a global risk resolved at different decision stages. One interesting finding concerns the support obtained for timing independence but not for isolation (Hopfensitz and van Winden, paper in preparation). Another experimental study examined whether the auctioning of entry rights affects the behaviour of market entrants. Results indicated a significant positive effect on prices in oligopoly but not in monopoly. In the former, entry fees induce players to take more risk in pursuit of higher profits, which were already close to the maximum in monopoly (Offerman and Potters 2005). Furthermore, experimental evidence was obtained showing that individual choice behaviour in the Allais paradox converges to expected utility maximization when decision makers have the opportunity to learn by both thought and experience, but less so when they can only learn by thought (van de Kuilen and Wakker 2005). A theoretical study regarding non-expected utility theory proposes a new index of loss aversion (independent of the unit of payment) decomposing risk attitude into three distinct components: basic utility, probability weighting, and loss aversion (Kabberling and Wakker 2005).

Mannheim:

Biais/Weber, Hindsight Bias and Investment Performance: Once they have observed information, hindsight biased agents fail to remember how ignorant they were initially. This bias has been amply documented by the psychological literature. To study its economic consequences, we formulate a theoretical model of the hindsight bias, providing a foundation for previous empirical measures. We show theoretically that hindsight biased agents overreact to information signals, conduct incorrect learning about volatility, and engage in suboptimal investment decisions. To test empirically the hypothesis that the hindsight bias reduces performance in important economic situations, we collect psychometric and performance data from a sample of investment bankers in London and Frankfurt. We find strong evidence that these agents are hindsight biased, and that more biased agents have lower performance. These findings are robust across locations and experiences.

HHE:

Juergen Weibull are working on several projects based on time-inconsistent preferences. In one project (together with Nicolas Vieille) they show that, for infinite time horizons, dynamic optimization problems with non-exponential time preferences may not only inhibit time

inconsistency but also multiple solutions with distinct payoffs. They clarify this indeterminacy within the framework of stochastic dynamic programming. In another project Juergen Weibull (together with Maria Saez-Marti) theoretically analyze if discounting of future decision-makers consumption utilities are consistent with pure altruism toward those decision-makers. This turns out to be the case for many but not all discount functions used in the economics literature. In particular, hyperbolic discounting is consistent with exponential altruism towards future generations. In general they provide sufficient, as well as necessary, conditions for discount functions to be consistent with pure altruism.

Munich:

The Munich Team also conducted research on the influence of behavioural biases in dynamic settings. Rady, Keller and Cripps (2005) and Rady and Keller (2006) study games of strategic experimentation with two-armed bandits where the risky arm distributes lump-sum payoffs according to a Poisson process or an exponential distribution. These analyses provide normative predictions for rational learning or experimentation behaviour in dynamic settings. This provides a benchmark against which behavioural theories can be tested. For example, Drago (2006) and Drago and Kadar (2006) provide empirical and theoretical analyses of the impact of quasi-hyperbolic discounting on consumer behaviour and career choices. Bartling (2005) analyses a present-biased agents effort allocation between tasks whose payoffs are spread out over time.

Harvard University:

David Laibson is working on five projects regarding intertemporal decision-making and on six projects regarding investment behaviour.

Princeton University:

Completed work with Marco Battaglini (Princeton team, Assit. Prof) and Jean Tirole on Self-Control in Peer Groups. Work by Faruk Gul and Wolfgang Pesendorfer on Temptation and Self-Control, Addiction, and Changing Tastes.

3. Institutions and Aggregate Outcomes (IA1. Markets and social interaction; IA2. Evolution of preferences, norms and interaction)

UvA:

The UvA team produced several studies dealing with social interaction and the evolution of preferences. One group of experimental studies investigated how information about others voting behaviour affects individuals' choices whether or not to turn out at elections. One paper examines the effect of social interaction on this decision (Grosser and Schram 2005), another investigates the role of information about others' preferences (Grosser, Kugler, and Schram 2005). A simulation study investigated the role of costly polling, interest groups as information brokers, and the impact of social clustering in a spatial competition model. A major finding (supported by theoretical evidence) is an increase in the probability of the challenger winning elections when interest are allowed to form (Sadiraj, Tuinstra, and van Winden 2005). In another experimental study network formation was studied (extending the Bala-Goyal model) under different information conditions (Goeree, Riedl, and Ule 2005). It is found that with homogeneous agents, equilibrium predictions fail completely. In contrast, with heterogeneous agents stars frequently occur as predicted, often with the high-value or low-cost agent in the center. Furthermore, two experimental studies investigated the impact of institutions. The first - a project undertaken for the Dutch government - indicated that the simultaneous first-price auction is the preferred allocation method when heterogeneous goods are auctioned and there is a limited number of bidders (Goeree, Offerman, and Schram 2005). The second, examining the impact of an endogenous option to supplement a standard voluntary contribution mechanism with the possibility of rewarding or punishing group members, found a large and positive effect of endogenous choice on cooperation (Sutter, Haigner, and Kocher 2005).

Mannheim:

While in classical economics the standard analysis of choice assumes not only that each individual has a well-defined preference order but procedure invariance as well, behavioral economists are starting to move from how people should behave to how they do behave. We report empirical evidence of systematic changes of preference suggesting that choice may not be described appropriately by maximization of a particular utility function but as the product of memory representation and memory processes.

HHE:

Juergen Weibull is (together with Edgar Villa) working on a project about crime and social norms. They analyze the interplay between economic incentives and social norms when individuals decide whether or not to engage in criminal activity. They assume that there is a social norm against criminal activity and that deviations from the norm result in feelings of guilt or shame. They show that a gradual reduction of the sanctions against criminal activity may weaken the social norm against crime. They also show that law enforcement policies may have dramatic and permanent effects on the crime rate. Juergen Weibull has (together with Marcus Salomonsson) done theoretical work on natural selection and social preferences. They assume that the expected number of surviving offspring depends on own material payoff, but may also, due to cooperative breeding and/or reproductive competition, depend on the material payoffs to other group members. They show that this selection dynamic can explain certain altruistic and spiteful behaviours that are consistent with individuals having social preferences.

Munich:

The Munich Team also conducted research on institutions and aggregate outcomes. Fehr, Kremhelmer and Schmidt (2005) analyze experimentally and theoretically the impact of social preferences on the optimal allocation of the institution of property rights. In contrast to the prediction of the standard property rights approach to the theory of the firm, they find that joint ownership of productive assets can be optimal. In a related study, Siemens (2006a) analyzes the impact of inequity aversion in a hold-up situation. It is shown that fairness preferences can solve the hold-up problem, which explains why institutional solutions to the hold-up problem, like mergers, are not as widespread as the standard theory would suggest (Williamson Puzzle). Bartling and von Siemens (2006) provide a theoretical contribution to the theory of the firm that is based on social preferences. They consider the impact of the institutions firm and market on the intensity of social preferences like envy, and show that this can explain why incentive within firms are often low-powered while strong monetary incentives prevail in market settings. Gebhardt (2006a, 2006b) provides theoretical analyses of the impact of social preferences in the aggregate by focussing on capital market outcomes. He can show, for example, that security prices can deviate from their intrinsic values due to reference group effects.

Harvard University:

David Laibson is working on four projects regarding market design.

Princeton University:

Roland Benabou worked with Jean Tirole on Belief in a Just World and Redistributive Politics of Economics. Experimental work by Marco Battaglini, Rebecca Morton and Thomas Palfrey on expressive versus pivotal voting theories and on sequential versus simultaneous voting.

Zurich:

Ernst Fehr published a paper in Science with the title When does Economic Man dominate social interactions? Ernst Fehr published a paper in the Journal of Economic Perspectives on Individual Irrationality and Aggregate Outcomes. Ernst Fehr and Urs Fischbacher published two papers in Analyse & Kritik on evolutionary problems of altruism and social preferences.

Training and ToK

Network training and ToK:

The first network summer school took place in Toulouse from 16-19 and 22-24 June 2005, and was hosted by the IDEI team.

The school gave the young researchers from the different ENABLE teams the opportunity to deepen their knowledge on Economics and Psychology, and to interact with each other, with other young researchers (the event was open to students outside the network who covered their own expenses) and with more senior experts in the field. A programme of the school is attached to the report. In order to evaluate the event, the coordinator has sent out a questionnaire to all participants.

In addition, CEPR organised a presentation skills course for Marie Curie Fellows in their London

office, which some of the ENABLE young researchers attended.

Individual Training and ToK at the participating nodes:

UvA:

Frans van Winden trained 3 young researchers: C. Traxler received laboratory experimentation training. Other training methods were colloquia, seminars and joint research.

M. Krawczyk received PhD supervision, mentoring and tutoring. He did several courses: NAKE Course Behavioral Economics with Jan Potters, Jan 13-April 21 (12 meetings 2H each, 10 thereof before end of March); TI Course Experimental Economics with Theo Offerman and Arthur Schram, Feb-April; TI Course Bargaining and Auctions, Quan Wen, Feb-April; TI Course Advanced Econometrics, Siem Jan Koopman, Charles Bos. Nov-April (3 blocks: 6, 8, no grade yet); INTT Dutch course Intermediate level Feb 20-Mar 30; Tutorial psychology of emotions with Frans van Winden. Design and implementation of laboratory experiment, with Astrid Hopfensitz and Frans van Winden.

M. Kocher did joint research with Frans van Winden and attended several seminars.

Mannheim:

Adelson Pinon was mentored by Markus Glaser and Martin Weber. He co-authored papers, did research with Professor Garling in Gothenburg University, attended workshops, seminars and conferences, a presentation skills course organised by CEPR and is expected to finalise his thesis in June 2006.

HHE:

Karen Khachatryan, Ignat Stepanok and Robertas Zubrickas were supervised by Magnus Johannesson, Jurgen Weibull and Tore Ellingsen.

Karen Khachatryan has participated in the European Marie Curie Conference 2005 (in Tuscany) and the 2nd International Meeting on Experimental and Behavioral Economics (at University of Valencia). Has also taken the PhD course in Behavioral Economics at Stockholm School of Economics and written a term paper for the course. He has also taken several other courses in the PhD program and met regularly with advisors and participated in the departmental workshops and seminars. He will also participate in the Second ENABLE RTN Summer School. Is scheduled to defend his PhD thesis in the spring of 2009.

Ignat Stepanok has participated in the 2nd International Meeting on Experimental and Behavioral Economics (at University of Valencia). He has also taken the PhD course in Behavioral Economics at Stockholm School of Economics and written a term paper for the course. Has also taken several other courses in the PhD program and met regularly with advisor and participated in the departmental workshops and seminars. Will also participate in the Second ENABLE RTN Summer School. Is scheduled to defend his PhD thesis in the spring of 2009.

Robertas Zubrickas has participated in the 2nd International Meeting on Experimental and Behavioral Economics (at University of Valencia). Has also taken the PhD course in Behavioral Economics at Stockholm School of Economics and written a term paper for the course. He has also taken several other courses in the PhD program and met regularly with advisors and participated in the departmental workshops and seminars. He has started working on a joint paper with Tore Ellingsen and Magnus Johannesson. He will also participate in the Second ENABLE RTN Summer School. Is scheduled to defend his PhD thesis in the spring of 2009.

Munich:

Francesco Drago and Christina Strassmair are mentored by Prof. Dr. Klaus Schmidt, Prof. Sven Rady, PhD and Prof. Dr. Joachim Winter.

Both attended weekly seminars: Theory Workshop, Hans-Moeller Seminar, Research Seminar of MGSE, and attended different workshops and conferences. Christina Strassmair has taken courses in the Ph.D. Programme of the Munich Graduate School of Economics (MGSE): Advanced Microeconomics, Advanced Macroeconomics, Advanced Econometrics, Contract Theory.

Management

A planning meeting was held during the network conference in Toulouse. All team leaders of the different nodes participated. A copy of the agenda can be found in ANNEX The meeting was

attended by representatives from all teams. Future network activities were planned and discussed at the meeting, and a CEPR representative recalled the contractual obligations, budgetary procedures and the Marie Curie Guidelines for expenses and recruitment of researchers. Further support and advice has been provided to the network team leaders and administrators by the CEPR and UvA teams. CEPR placed advertisements in The Economist, SSRN and Inomics web sites in order to publicise RTN fellowship vacancies available in the network.

CEPR has created a new project website with more detailed information on the network as well as CVs and photos of all ESR and ER. The URL for the new website is:
<http://www.cepr.org/research/Networks/enable/>

In addition, on the initiative of CEPR, an online newsgroup for the ESR and ER was created, the ENABLE newsgroup. Young researchers can communicate via an e-mail group, upload documents such as paper drafts, and discuss them with other members of the group and use a chat facility. The initiative has been welcomed by the young researchers who have made intensive use of the new tool. The newsgroup is only accessible for ESR and ER who were or are employed by the ENABLE group. It is located here: <http://groups.yahoo.com/group/enablern/>

The UvA team initiated an evaluation of the First ENABLE summer school in Toulouse in June 2005. In order to assess and evaluate the first ENABLE summer school questionnaires were sent out to all participants, asking for their feedback on the event.

The overall structure, content and quality of the lectures was rated by most participants as very good. The programme and the speakers were assessed as interesting and of high quality. Some commented that the programme could have been less dense.

The possibility of interaction with the teachers was rated differently by the participants. Most welcomed the idea of being able to book 15 min one-to-one discussion slots with the lecturers. Others would have welcomed the opportunity for students to present and discuss their papers or to have more participatory workshops. Others commented that the possibility of interaction would have been better had there been less participants to the school.

All participants who participated in the questionnaire rated the school as helpful for their future research and future research contacts. A few students are considering to do collaborate with contacts they made during the school.

The evaluation of the questionnaire has given some important input for the future organisation of training events for the ENABLE young researchers. Especially the demand for more participatory events will be taken up for the future planning of network activities. Some comments and reactions are summarised in a document which is attached as ANNEX ...

DEVIATIONS/MODIFICATIONS TO THE ORIGINAL WORK PROGRAMME

Please indicate if the project

a) is, at this stage, being implemented as originally planned

If you answered b) or c) please include a detailed description of the modifications in the report (one page)

ADDITIONAL INFORMATION

Please indicate any additional information, which may be considered useful to assess the work done during the reporting period.

Attachments	Network publications.doc, Conference participation.doc, Visits.doc
Name	
Date	
Signature	