



Limits to Rationality in Financial Markets

Workshop 1: Philosophical Issues

15-16th June 2009

	Monday 15th	Tuesday 16th
10:00-10:30	Opening Remarks	Tirassa <i>Identity and Agency in Complex Organizations</i>
10:30-11:30	Maki <i>Unrealistic Models are just Fine for Truth-Seekers</i>	Rogeberg <i>Taking Absurd Theories Too Seriously - Diagnosing and Treating the Blind Spot of Economics</i>
11:30-12:00	Coffee	Coffee
12:00-13:00	Herrmann-Pillath <i>Externalism and the Problem of Identity in Economics</i>	Novarese <i>Learning and Rationality: a Cognitive Perspective</i>
13:00-14:30	Lunch	Lunch
14:30-15:30	Loasby <i>Pattern-making and self-organisation: a convergence of ideas?</i>	Friedman <i>When is hysteresis useful?</i>
15:30-16:00	Rios <i>Reductionism in the Social Sciences</i>	Tea + discussion
15:30-16:30	Tea + discussion	
16:30-16:45		Closing

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James Weir Building

75 Montrose street

Glasgow G1 1XJ

Phone: +44 (0)141 548 5930

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Workshop 2: Neuro-Economics

18-19th June 2009

	Thursday 18th	Friday 19th
10:00-10:30	Opening Remarks	Herrmann-Pillath (2) <i>Memetics and the incompleteness of neuroeconomics</i>
10:30-11:30	Leuthold <i>Neuroeconomics: an introduction to its methods</i>	Baddeley <i>Human herd behaviour reflected by ventral striatum activity</i>
11:30-12:00	Coffee	Coffee
12:00-13:00	Derbyshire (1) <i>How has neuroimaging been applied to economics and politics? Why is association not cause?</i>	Derbyshire (2) <i>How do neuroeconomics, evolutionary psychology and the idea of massive modularity overlap? How does this lead to the assumption of 'irrationality'?</i>
13:00-14:30	Lunch	Lunch
14:30-15:30	Herrmann-Pillath (1) <i>Adam Smith's Theory of Moral Sentiments in the light of modern neuroscience and neuroeconomics</i>	Grinfeld <i>The language of neuroeconomics</i>
15:30-16:30	Tea + discussion	Tea + discussion
16:30-16:45		Closing

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Workshop 3: Economic Analysis

22nd - 23rd June 2009

Monday 22 June

- 2-2.15 pm Rod Cross (Economics, Strathclyde): Introduction
- 2.15-3 pm Christian Richter (Economics, Kingston University): *"On the Efficiency of Capital Markets"*
- 3-3.45 pm Alexei Pokrovskii (Mathematics, University College, Cork):
"Porosity, Hysteresis and Macroeconomic Models" provisional title
- 3.45-4 pm *Coffee*
- 4-5 pm Gordon Brown (Psychology, University of Warwick):
"The Rank Principle in Economics and Psychology"
- 5.30-7 pm Public Lecture: Paul Ormerod (Volterra Consulting, London):
"Have Economists Gone Mad?" Lecture Theatre M405, James Weir Building

Tuesday 23 June

- 10-11 am Frederic Boissay (European Central Bank):
"Financial Integration, Financial Stability and Growth"
- 11-11.30 am *Coffee*
- 11.30-12.30pm Andrew Hughes Hallett (School of Public Policy, George Mason University):
"Financial Instability Prevention"
- 12.30-2 pm *Lunch*
- 2-3 pm John Thanassoulis (Economics, Christ Church, Oxford):
"The Credit Crunch and the Real Economy: Firm Reactions and Consumer Effects"
- 3-4 pm Sujit Kapadia (Bank of England):
"Applying Network Theory to Financial Systems" provisional title
- 4-4.30 pm *Coffee*
- 4.30-5.30 pm Paul Ormerod (Volterra Consulting, London):
"Global Recessions as a Cascade Phenomenon with Interacting Agents"

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Workshop 4: Experiments in Financial Markets

25th – 26th June 2009

Thursday 25th June

- 10.45 - 11.00 Opening Remarks
- 11.00 - 12.00 Robin Pope. *"Prominent Numbers, Indices and Ratios in Exchange Rate Determination: in Economists' Models, in the Field and in the Laboratory"*
- 12.00 - 1.30 Lunch
- 1.30 - 2.30 Greg Fisher. *"Observations from the Coalface - a Practitioner's Perspective"*
- 2.30 - 3.00 Tea
- 3.00 - 4.00 Maria Andersson. *"Herding: A financial phenomenon from a social psychology perspective"*
- Discussion
- Workshop Dinner

Friday 26th June

- 11.00 - 12.00 Jan Tuinstra. *"Expectation formation in financial markets: Laboratory experiments"*
- 12.00 - 1.30 Lunch
- 1.30 - 2.30 Nick Feltovich. *"The role of strategic uncertainty in games: an experimental study of cheap talk and unstructured bargaining in the Nash demand game"*
- 2.30 - 3.00 Tea
- 3.00 - 4.00 Jeff Schank. *"Agent-based modeling and experimental research, gent-based modeling and experimental research"*
- Discussion

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Workshop 5: Mathematical Modelling

29th – 30th June 2009

Monday 29th June

- 9.45 - 10.00 Opening Remarks
- 10.00 - 11.00 Gary Friedman (Drexel University). *Generalized Hysteresis Models with Return Point Memory and with Stochastic Input*
- 11.00 - 11.30 *Coffee*
- 11.30 - 12.30 Paul Ormerod (Volterra Consulting). *A general, evolutionary model of long-tailed distributions in the social sciences*
- 12.30 - 2.00 *Lunch*
- 2.00 - 3.00 Jeff Schank (UC Davis). *Agent-based modelling*
- 3.00 - 3.30 *Tea*
- 3.30 - 4.30 Alexei Pokrovskii (Cork). *Title TBA*
- 4.30 *Discussion*
- Workshop Dinner*

Tuesday 30th June

- 11.00 - 12.00 Harbir Lamba (George Mason University). *Modelling imperfect financial markets*
- 12.00 - 1.30 *Lunch*
- 1.30 - 2.30 Jean-Pierre Nadal (Ecole Normale Supérieure). *Pricing of Goods with Bandwagon Properties: Entanglement between Demand and Supply*
- 2.30 - 3.30 *Tea*
- 3.30 - 4.30 Sheri Markose (Essex). *Perverse Effects, Regulatory Arbitrage and the Lucas Critique: A Complex System Approach to Policy Design*

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Workshop 6: Policy Implications

2nd – 3rd July 2009

Thursday 2 July

- 2 - 4pm The Workshops In Retrospect And Future Research Directions:
- 2 - 2.40pm Economic Analysis - Rapporteur Rod Cross (Economics, University of Strathclyde)
- 2.40 - 3.20pm Philosophical Issues and Neuroeconomics - Rapporteur Michael Grinfeld
(Mathematics, University of Strathclyde)
- 3.20 - 4pm Mathematical Modelling and Experiments in Financial Markets - Rapporteur Harbir
Lamba
(Mathematics, George Mason University)
- 4 - 4.30pm *Coffee*
- 4.30 - 5.30pm Sheri Markose (Director of Centre for Computational Finance and Economic Agents,
University Of Essex), "Too Interconnected to Fail: the Sub-Prime Crisis and the CDS
Fiasco"

Friday 3 July

- 10 - 10.15am Alex Salmond (First Minister, Scottish Government), "Opening Remarks"
- 10.15 - 11am Danny Gabay (Fathom Consulting, London), "Policy and the Present Financial Crisis"
- 11 - 11.30am *Coffee*
- 11.30 - 12noon David Cobham (Economics, Heriot Watt University), "Monetary Policy and Asset
Prices"
- 12 - 12.30pm Sheila Dow (Economics, Stirling University), "Psychology in a Structural Analysis of
the
Financial Crisis"
- 12.30 - 1pm John Kay (Financial Times and Scottish Council of Economic Advisers), "How Did It
Happen?"
- 1 - 2pm *Buffet Lunch*

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2 - 3pm Michael Kuczynski (Economics, Pembroke College, Cambridge), "Regulatory Issues"

3 - 3.30pm *Coffee*

3.30 - 5pm Panel Discussion

Panelists will include Andrew Hughes Hallett(School of Public Policy, George Mason University and Scottish Council of Economic Advisers), David Simpson (formerly of Standard Life and the University of Strathclyde), Professor the Lord Desai(Economics, London School of Economics and House of Lords) and some of the above speakers.

5 – 6pm *Drinks*