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To CERF Board Members:

This is the report on progress for the latest project which I am pursuing during my CERF Fellowship.

In the second part of my CERF Fellowship, I have worked on an experimental project that investigates how policy intervention can prevent systemic contagion to occur on hub-like and regular networks. We examine financial interventions in terms of (i) subsidies and (ii) fines, as well as behavioural interventions in terms of (iii) positive and (iv) negative informational “nudges” given to participants. The objective is to understand what type of intervention is most effective to get (close) to the efficient outcome. Given that the experiments involve approximately 700 participants, we have decided to conduct them online. Conducting an experiment of this complexity with live interactions among participants entailed more ad hoc coding than planned as oTree – the leading platform to conduct online experiments – did not have many features needed. We have now completed the coding and run pilots. The plan is to conduct the experiments in the next 2-3 months.

I have presented the results of the work undertaken during my latest CERF tenure at invited seminars (University of Technology Sydney, Queensland University of Technology, University of Bologna, Paris School of Economics, University of Amsterdam, Université Paris 1 Panthéon-Sorbonne, University of Oxford) and specialized workshops (BiNoMa Workshop on the Economics of Networks, SAET Conference).

Yours ever,

Edoardo Gallo