

DAY CONFERENCE WEDNESDAY SEPT 13 2017

PART OF SIU FUNDED PROJECT BETWEEN HIGHER SCHOOL OF ECONOMICS IN MOSCOW AND UIT

DRAFT SEP 7 STEIN ØSTBYE

ROOM 2.216 HHT ALL DAY

MORNING SESSION 9-12

Fuad Aleskerov (9-9.45)

DISPUTABLE ZONES IN ARCTIC REGION AND MODELS OF THEIR ALLOCATION AMONG COUNTRIES

We consider several models of revealing an interest among countries to different zones in Arctic region and several models of allocation of these zones among countries.

Rasmus Gjedssø Bertelsen (9.45-10.15)

ARCTIC POLITICAL PSYCHOLOGY:

GROUP THINK, EPISTEMIC COMMUNITIES, SCIENCE DIPLOMACY

This presentation will briefly introduce political psychology and possibilities for application to Arctic studies. It will place political psychology in the fundamental social science debate between rational actor assumptions and political criticism of such assumption based on cognitive and computational abilities. The presentation will focus on three concepts for connecting political psychology with Arctic studies: group think, epistemic communities, and science diplomacy with empirical examples from Arctic research and policy making. Group think is when homogenous groups fail victim to misperceptions and faulty decision-making. An Arctic example is Danish Arctic research, business, policy, diplomacy and defense. Danish Arctic academia, business, government and defense is predominantly focused on Greenland with a limited Circumpolar perspective, which may lead to misperceptions and policy mistakes. Epistemic communities are transnational expert communities, who share beliefs about problems and their solution. As such epistemic communities are the antidote to group think. There are a number of important epistemic communities concerning the Arctic, such as, the working groups of the Arctic Council, the thematic networks of the University of the Arctic, or the China Nordic Arctic Research Center. These epistemic communities connect Arctic political psychology with science diplomacy (the international political role of research), where transnational knowledge cooperation can have important confidence and trust building functions (science for diplomacy).

BREAK 10.15-10.30

Michael Morreau (10.30-11.15)

THE WISDOM IN TALKING PAST ONE ANOTHER

Many committees and panels evaluate alternatives of whatever kind by scoring or grading them. Diversity in members' perspectives and cognitive styles has long been known known to promote collective intelligence, or wisdom of crowds. At the same time, though, it tends to go with different understandings of language, and these may be expected to pull in the other direction, by hiding disagreements and creating misunderstandings among group members.

Surprisingly, though, linguistic diversity doesn't only make problems: it also creates opportunities. This talk shows how to exploit diverse understandings of scores and grades in order to increase the capacity of groups to discriminate alternatives from one another. There are consequences for the design of panels

charged with tasks that depend on ranking alternatives, for instance in prioritization and shortlisting decisions. The method is illustrated with the example of ordinal measurement of risks.

BREAK 11.15-11.30

Andrea Mannberg (11.30-12.00)

RISKY BUSINESS – COMPARISONS OF PREDICTIVE POWER BETWEEN TWO MEASURES OF RISK PREFERENCES

Individual risk preferences are potentially important determinants for risk-taking behavior. Seemingly excessive risk-taking may either be spurred by risk preferences, and hence privately optimal, or by bounded rationality, and thus privately sub-optimal. These two cases call for different policy interventions. Risk preferences constitute a personality trait and as such are not readily observed. To provide efficient policy recommendations, it is therefore important to derive appropriate *estimates* of risk preferences.

Within the field of economics, risk preferences are commonly estimated either via real experiments in which participants choose between different games with monetary rewards, or via hypothetical gambles. Both types of measures hold predictive power, but it appears as if risk preferences are not stable across elicitation methods (Anderson and Mellor, 2009). Dohmen et al (2005) find that the simple question -

“How do you see your self, are you generally a person who is fully prepared to take risks or do you try to avoid taking risks?” – outperforms hypothetical gambles in survey data. Psychologists have a long tradition of estimating risk *attitudes* to predict risk-taking behavior related to health. Within this tradition, risk preferences are considered to be a *latent* trait, and measures of this factor are therefore estimated via factor analysis. One of the most well known measures of risk attitudes is the Sensation-seeking scale, designed to capture sensation-seeking preferences (Zuckerman, 1979). In this note, I compare how well the Dohmen et al (2005) and the Brief sensation-seeking scale predicts risk-taking behavior in a range of settings. My preliminary results suggest that the two measures give almost surprisingly similar results. The main differences between the two measures are that effects of age and gender on risk taking behavior are affected differently.

BREAK 12 -13

AFTERNOON SESSION 13-15

Nikolay Korgin (13-13.45)

INTRODUCTION TO THEORY OF CONTROL IN ORGANIZATIONS

We provide brief overview of main concepts and history of development of Theory of Control in Organizations - compilation of methodologies from systems analysis and control theory, including game and graph theory, aimed to extend the traditional approach to management science by introducing the optimization and game-theoretical tools required to account for the special nature of human beings being viewed as control objects.

BREAK 13.45 -14

Mikko Moilanen (14.00-14.30)

THE RISE OF THE CREATIVE CLASS AND THE URBAN REVOLUTION IN THE NORTHERN PERIPHERY OF EUROPE

The concept of ‘creative class’ developed by Richard Florida has gained tremendous attention among academics and policy makers since the book “The Rise of the Creative Class” appeared in 2002 (new revised and enlarged edition in 2012). In fact, the book has become a best seller and attracted a wide readership. Recent work at UiT (Østbye et al., 2017) analyses the creative class in a larger context using a dynamic multisectoral model. The model is estimated on regional data for 250 economic regions covering Norway, Sweden and Finland in the first decade of this millennium. Although not even available in print

yet (only electronically), the study has received a lot of attention after Florida published a long blogpost on the work. (<https://www.citylab.com/life/2017/05/do-jobs-follow-people-or-do-people-follow-jobs/523296/>)

In the present work we concentrate on Norwegian regions and move back in time a century and a half to the period from 1865 to 1900. This is a period where the urban revolution picked up speed in Norway as well as many other parts of the World. In connection with this, the occupation structure changed at an unprecedented speed giving birth to a substantial role for creative class occupations (for the US, see Florida 2012). Unlike any other country in the World, Norway has a very rich high quality data set for individual males in this period. Moreover, dynamic analysis is made possible since data are linked between different years. These data are based on census data and data from church books. As a preliminary start we will present some ideas on how to operationalize the creative class on basis of these data and discuss ideas for how the extremely rich material can be put to the best possible use in order to throw more light on the role played by the creative class at the dawn of the 20th century.

Jan Yngve Sand (14.30-15.00)

COOPETITION IN THE ARCTIC: COOPERATION OR COMPETITION IN INNOVATION ACROSS BORDERS

The last years, UiT has been involved in research on coopetition using theoretical modelling and experimental methodology. The concept ‘coopetition’ was suggested by (Brandenburger and Nalebuff 1995) to describe the situation where firms compete in some dimensions and may cooperate in others, for example that the firms compete in the product market but may cooperate (or compete) in innovation. Brandenburger and Stuart (2007) tried to develop this further theoretically, applying non-cooperative game theory to the competitive dimension and cooperative game theory to the cooperative dimension, but this have not attracted much attention among economists. However, the concept evolved into concepts like ‘co-creation’ and ‘co-production’ that have been popular in the management literature.

In our previous work on coopetition, we have abstracted from problems connected to how to contract on sharing of R&D output before investment in R&D has taken place. In the present work, we intend to correct for this by studying these issues using the economic theory of implicit contracts. We believe the contracting problems are particular relevant for the development of business-to-business relationships across national borders separating countries with very different institutions. More specifically, the motivation for this study is the potential for interaction on the floor between companies based in Russia and Norway in the development of the oil and gas industry in the Arctic.

CLOSING/ INFORMAL DISCUSSION IN THE CANTEEN AT THE BUSINESS SCHOOL (CLOSES AT 15.30)