



LAUNCH OF IRISK, THE IÉSEG RISK RESEARCH CENTER

- > PART I (SCIENTIFIC) - Decision-making under risk and uncertainty
- > PART II (OPEN TO THE PUBLIC) - Inspiring Conference: «Making decisions in an uncertain world»



iRisk Workshop on decision-making under risk and uncertainty

7-8 July 2022 – IÉSEG School of Management, Lille, France

organized in honor of Prof. Louis EECKHOUDT

Background and objectives

Uncertainty is pervasive and plays a major role in decision-making. Whether agents pursuing individual goals, or policymakers pursuing social objectives, decision-makers rarely know what the relevant states of the world are. A proper understanding of individual behavior in the face of uncertainty is of great importance for the construction of realistic economic models capable of making accurate predictions, as well as for prescriptive applications guiding decision-making processes.

To celebrate the launch of iRisk, its new research center, IÉSEG School of Management will hold a multidisciplinary workshop on decision-making under risk and uncertainty. Because the creation of the iRisk center would not have been possible without Professor Louis Eeckhoudt, **this workshop is also a unique occasion to celebrate Louis' career and contributions to decision theory and the economics of risk.**

The workshop will gather industry, policymakers, and academic participants and promote dialogs between theory, experimental findings, and applications (in the sense of actual decision-making or the construction of theoretical or empirical models in the social sciences).

Specifically, the workshop will bring together experts from various disciplines covering different aspects of uncertainty modeling and quantification. Ultimately, the workshop intends to:

- Bridge the gap between the theory and practice of decision research and provide an opportunity to discuss challenges faced by practitioners in addressing decision-making under risk and uncertainty
- Discuss the latest developments and practical applications in a variety of different fields
- Identify how perception and biases influence individual and collective decision-making processes and effective solutions for overcoming them
- Identify gaps in the literature that require further research or missing methods and tools for practical applications and opportunities for addressing these gaps
- Build interdisciplinary collaborations on complex decision-making challenges, both within different research fields and between research and practice

All invited talks will be given by leading experts in their respective fields. Theoretical talks will provide new theoretical models focusing on a real-world application and/or on how to make these models relevant in the real world. Fields of practical applications and real-world examples of decision-making include climate change, health, data science, finance, psychology, artificial intelligence, and economics, among others.

PROGRAM

Part I (Academic)

Thursday, July 7, 2022 – room E114

12.30 *Registration*

13.00 Welcome Address: Jean-Philippe AMMEUX (Dean of IÉSEG School of Management)
Setting the scene: Loïc BERGER (Director of Irisk)

Session 1: Foundations and elicitation (Chair: Ilke Aydogan)

13.10 Massimo MARINACCI (Bocconi University), *Modelling misspecification*

13.40 Ilke AYDOGAN (IÉSEG School of Management), *Experiments on reduction of compound lotteries with objective and subjective probabilities*

14.10 Sebastian EBERT (Frankfurt School of Finance and Management), *On Taking a Skewed Risk More than Once*

14.40 Peter WAKKER (Erasmus University Rotterdam), *A Critical Discussion of Popular Ambiguity Models*

15.10 *Coffee Break*

Session 2: Climate Change (Chair: Loïc Berger)

15.40 Lars Peter HANSEN (University of Chicago), *How Should Climate Change Uncertainty Impact Social Valuation and Policy?*

16.25 Sara LE ROUX (Oxford Brookes Business School), *Climate Change Catastrophes and Insuring Decisions: A Study in the Presence of Ambiguity*

16.50 Loïc BERGER (CNRS, IÉSEG School of Management), *Are Policymakers Ambiguity Averse?*

Panel discussion: On the rationality of uncertainty aversion

17.15 Panelists: Itzhak GILBOA (HEC Paris), Mohammed ABDELLAOUI (CNRS, HEC Paris), André DE PALMA (Cergy Paris University)

18.15 Social aperitif and tribute to Louis Eeckhoudt by David CRAINICH (CNRS, IÉSEG School of Management)

19.30 *Conference dinner (by invitation)*

Part I (Academic)

Friday, July 8, 2022 – room E114

8.30 *Welcome Coffee*

Session 3: Health and Insurance (Chair: Thomas Epper)

9.00 Han BLEICHRODT (University of Alicante), *Incentives in health utility measurement do not matter*

9.30 Thomas EPPER (CNRS, IÉSEG School of Management), *Risk Taking, Time Discounting, and Variations in Household Risk*

10.00 Matteo GALIZZI (London School of Economics), *Risk and social preferences predict risky sexual behaviour amongst youth in Zimbabwe*

10.30 *Coffee Break*

Session 4: Behavioral Aspects of Uncertainty (Chair: Uyanga Turmunkh)

10.50 Olivier L'HARIDON (University of Rennes), *Loss aversion is robust*

11.20 Uyanga TURMUNKH (IÉSEG School of Management), *Ambiguity in Voting*

11.50 Songfa ZHONG (National University of Singapore), *Narrowly Rational*

End of Part I

Part II (open to the public): Decision-making under uncertainty in practice

Friday, July 8, 2022 – room B050

Uncertainty is pervasive and plays a major role in decision-making. Whether agents pursuing individual goals, or policymakers pursuing social objectives, decision-makers rarely know what the relevant states of the world are. To celebrate the launch of iRisk, its new research center, IÉSEG School of Management will organize an inspiring conference on the theme: « **Decision-making under uncertainty in practice** ».

The inspiring conference will be organized as a high-level roundtable discussion with four leading experts from the industry, policymaking, and academic community and will promote dialogs between theory and practice.

12.30 *Lunch (optional)*

13.30-13.35 Welcome address: Inspiring Conferences (Caroline Roussel, Dean of IÉSEG School of Management)

13.35-14.45 Roundtable: Making decisions in an uncertain world [room B050]

Panelists:



Mathias DEWATRIPONT is a distinguished, and broad, economic theorist. He has been instrumental in the development of contract theory, and its applications to a large variety of topics. Mathias holds a Ph.D. in Economics from Harvard University (1986). Since 1990, he has been Professor of Economics at Université libre de Bruxelles. Fellow of the Econometric Society, he was President of the European Economic Association in 2005 and was a founding member of the Scientific Council of the ERC. He is member of the Académie Royale De Belgique and Foreign Honorary Member of the American Academy of Arts and Science. Mathias was also Executive Director of the National Bank of Belgium between 2011 and 2017, being its representative on the Basel Committee on Banking Supervision and on the Supervisory Board of the European Central Bank. During these last two years, Mathias was also a member of different management and exit strategy expert groups, responsible for monitoring the evolution of the COVID-19 epidemic and providing opinion on the Belgian government's strategy. Mathias has published widely in the areas of contract theory, organisation economics, and banking and finance.

Christian GOLLIER is Professor of Economics at the Toulouse School of Economics and an internationally renowned researcher in decision theory under uncertainty and its applications in climate economics, finance, and cost-benefit analysis. He holds a Ph.D. in economics from Catholic University of Louvain. He is fellow of the Econometric Society and won the Paul Samuelson Award for his 2001 MIT book “The Economics of Risk and Time”. With Jean Tirole, he created the Toulouse School of Economics, where he serves as director (2007-2015 and 2017-). Christian is also one of the authors of the 4th and 5th reports of the Intergovernmental Panel on Climate Change (IPCC), which was awarded the Nobel Peace Prize in 2007. In addition, he regularly advises several governments on their public investment evaluation policies. In 2020, Christian was asked to lead the climate change component of the Commission of Experts on the Great Economic Challenges set up by President Macron. The work of the commission led to the production of a detailed report drawing



recommendations to make economic policies more effective in responding to three long-term structural challenges. Christian's recent book for the general public, "Le Climat après la fin du mois" (PUF 2019), deals with the importance of taking action in the face of climate change and has been a great success in France.



Gilles MOËC is the AXA Group Chief Economist and AXA IM Head of Research since June 2019. He also oversees Responsible Investment activities pertaining to research, thought leadership, engagement and active ownership since September 2020. Gilles graduated from Institut d'Études Politiques de Paris in 1991. Between 1994 and 2006, he held several positions in the French civil service, at the national statistical institute (INSEE) and at the central bank notably as head of the International Economics Division of Banque de France.

In 2006, he was appointed Senior European Economist at Bank of America then became, in 2009, Chief European economist of Deutsche Bank. Then, from 2014 to 2019, he has been Chief European Economist at Bank of America Merrill Lynch.

Vicky POLLARD (TBC) is acting head of unit and deputy head of unit "Foresight, Economic Analysis & Modelling" at the DG Climate Action of the European Commission since September 2019. Previously, she was the Environment and Climate Counsellor of EU delegation to China and Mongolia. She has worked on climate change for the Commission since 2006, covering international negotiations, relations with the US and other OECD countries and domestic policy. Before 2014, she was Deputy head of unit for the implementation of the EU ETS. She joined the European Commission in 2004 and worked on the EU Lisbon Strategy and the review of the EU Sustainable development strategy. Prior to this, she worked on environmental policy and economics, as a consultant, as Chief executive of the European Wind Energy Association and as economist in the UK government and Environment Agency.



Moderator



Thibault LIEURADE Head of the section Economics + Business at The Conversation France. A graduate of ESCP Europe and Grenoble Ecole de Management, Thibault Lieurade is a journalist and editorial consultant specializing in economics and management. Before joining The Conversation, he worked in several national newsrooms, including France 24, as well as for the web TV Xerfi Canal.

End of Part II

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