

FIRST YEAR PROGRESS REPORT

EU FET OPEN PROJECT FOC

255987



Deliverable D5.1

“Report on Activity in WP5 (Management) and WP6 (Dissemination)”

WP Leader : Guido Caldarelli (CNR)

Progress Overview of both WP5 WP6

In this first year period, the Consortium started its activity, the first actions that needed some coordination have been the hiring of postdoc and personnel and the collection of data. Some problems arose due to lack of candidates and financial crisis respectively. As a result an extension of 6 months was negotiated with the Commission and new sources of data have been selected. Coordination has been obtained by visits of the various nodes and by common meetings. In the same period two different projects have been prepared to extend FOC consortium to Eastern European Countries and to Extra European Institutions. Finally it was appointed a professional journalist to disseminate FOC results in the media.

WP5 Management

Common activity

For what concerns the Management of the Consortium there have been a few common meetings in order to start the activities in the various tasks. These meetings took place in

- Barcelona, at Yahoo! Headquarters (May 25th 2011)
- Zurich, at the CCSS conference (June 23rd 2011)

In the kickoff meeting in Rome we have agreed that all partners send to the coordinators monthly WP Activity Reports. The coordinator arranges them in a monthly Project Activity Report that is distributed to the partners. We have found this procedure very useful in order to exchange information on each other progress. The record of these Reports is available to all the nodes of the Consortium. In the same kickoff meeting we agreed on the following points:

- Every node will communicate to CNR every preprint, working paper, published paper, whatever is the form in which it becomes public for the first time
- Every node will provide a copy of document (for POSTERS) or a link of publication to CNR. This will be put on the WWW site if not already done by the Node of the authors.
- For any urgent matter, every node has nominated a contact person that is going be reachable over the telephone, in addition to email. These are G. Caldarelli, L. Bargigli, S. Battiston, G. Iori, F. Reed-Tsochas, A. Gionis
- Papers produced by members of the Consortium activity must report the following acknowledgment:
 “Authors acknowledge support from European Commission FET Open Project “FOC” nr 255987”
- We have recommended to use the FOC logo in presentation slides. A suitable beamer/powerpoint FOC Template is available from G. Caldarelli upon request. Use of logo is strongly suggested also for Posters.

Problems

- The most urgent question we had to face has been the delayed start by the node of Oxford who is in charge of collecting and making available data to the rest of consortium. This coupled with the limited availability of HSBC data made problematic the evaluation of some particular financial markets.
- A second important problem has been to ensure the circulation of ideas and collaboration within the project. Especially in the future with the introduction of more and more nodes this would be by far the most important problem.

Reaction to problems

The actions taken have been

- to help the node of Oxford in the hiring of the right candidate. S. Battiston (ETHZ) helped in the advertisement of the position and the evaluation of the right candidate.
- To get information about the kind of exposure of companies with banks, we analysed the exposure data of Lehman Brothers made available by the FED bank. This information is not available in computer format, so that ETHZ node transformed it in a format to be used for data analysis and model validation.
- Data started to be arranged and organized also without the explicit presence of the postdocs from OX.MQ

FOC Extensions

We also prepared together with I. Mozetic, T. Smuc and I. Kondor a proposal to join FOC, this project has been successful and these three teams will start their activity from month 13 (September 1st 2011). We considered this particularly crucial since the expertise of the new teams. In particular we envisage very good room of collaboration in the possibility to use blogs coupled to queries. Another proposal together with Boston University and Kyoto University is under evaluation. At the writing of this report it passed the first evaluation and we are in the negotiating process. Both of those should help in the possibility to obtain new data.

WP6 Dissemination

Task 6.1 Dissemination

We nominated an advisory board composed by Laszlo Barabási, Fabio Pammolli and Alessandro Vespignani, to whom we are going to send these reports for their evaluation. We also considered the possibility of small films and books on the subject.

A book on the basis of scale-free networks and their use in the case of social and economical systems is in production with Oxford University Press (authors G. Caldarelli and M. Catanzaro) and should be in Press for the end of 2012.

Schools

The school scheduled for month 12, will actually take place on month 14 in November in “Il Ciocco” Conference center at Barga (Lucca, Italy).

Amongst the various reasons for this delay, is the possibility to attach such a school in the PhD activities of the student in economics of the IMT PhD School in Lucca (https://www.imtlucca.it/phd_programs/economics_markets_institutions/index.php).

Another School has been prepared in Dubrovnik for the month 24

Conferences organized

FOC organized topical sessions in a series of important conferences as

- NETSCI 11 Conference (Budapest, June 7th 2011)
<https://sites.google.com/site/netonets2011>
- CCSS Conference (Zurich, June 23rd 2011)
<http://www.ifb.ethz.ch/comphys/conferences/ccss-workshop2011/program>
- Sigma-Phi Conference (Cyprus, July 11th -15th 2011)
<https://sites.google.com/site/sphnetworks>

The group of M. Gallegati (UNIVPM) has also organized the international conference Wehia 2011 <http://www.wehia2011.univpm.it/program.html>

This 16th Annual Workshop on Heterogeneous Interacting Economic Agents (WEHIA) took place at the Faculty of Economics on June 23rd – 25th 2011. The conference included many topics of direct interest for the FOC project, like: Economic and Financial Networks, Agent Based Modelling, Emergent Macroeconomics, Econophysics, Experimental Economics, Aggregation of Heterogeneous agents, Financial Fragility Models, DSGE Models with Heterogeneous Agents, Bounded Rationality, Learning in Economics, Computational Methods in Economics and Finance, Technological change and growth. The conference included some presentations of members of the consortium, as well as of members of related project like CRISIS and POLHIA, and it was attended by more than 90 scholars from across the world. The keynote speakers of the conference were Giovanni Dosi (Sant'Anna School of Advanced Studies), Bruce Greenwald (Columbia University), Alan Kirman (GREQAM), Simone Landini (IRES, Torino), Thomas Lux (Universität Kiel), Rosario Mantegna (Università di Palermo).

A proposal has been submitted for a Topical Session at APS March Meeting in Boston. This proposal is currently under evaluation.

Conferences invited

L. Bargigli

- “Network-based methods for the analysis of large-scale economic interactions”, First Workshop on Quantitative Finance and Economics, Tokyo, February 21th 2011
- “Network-based methods for the analysis of large-scale economic interactions”, Pohlia Workshop, Paris, 6 May 2011.

S. Battiston

- “Systemically Important Nodes in Complex Networks”, International Conference on Network Science and Its Applications, Budapest, Hungary, 9 June 2011

- “Systemically important nodes in complex financial networks”, International Workshop 'Coping with Crises in Complex Socio-Economic Systems', Zurich, Switzerland, 23 June 2011
- “Risk diversification and default cascades in financial networks”, Complex Networks Seminar, LIP6 lab Université Pierre et Marie Curie, Paris, France, 28 April 2011
- “Liaisons Dangereuses: Systemic Risk in Financial Networks”, GRETHA Université Montesquieu, Bordeaux, France, 8 April 2011
- “Liaisons Dangereuses: Systemic Risk in Financial Networks”, OFCE, Sophia-Antipolis, France, 17 March 2011

G. Caldarelli

- “The Dynamics of Co-Evolving and Interdependent Networks”
March Meeting of the American Physical Society
<http://meetings.aps.org/Meeting/MAR11/sessionindex2/?SessionEventID=138933>
- “Alternative Approaches to Modeling Systemic Risk”
European Central Bank ECB – NY Fed – CFS conference
http://www.ecb.int/events/conferences/html/conf_ecb_ny_fed.en.html
- Sigma Phi, International Conference on Statistical Physics
<http://www.sigmaphi2011.org/>
- Satellite of ECCS11 “Dynamics of and on Complex Networks”
<http://www.mpipks-dresden.mpg.de/~peruani/doocn2011/>
- Satellite of ECCS11 “Econophysics Colloquium”
<http://www.eccs2011.eu/satellites/econophysics/>

Giulia Iori

- The Microstructure of the European Interbank Market, Università Politecnica delle Marche, Ancona (Italy) 22-25 June 2011, ESHIA/WEHIA 2011
- The Microstructure of the European Interbank Market, Zurich (Austria) 20-25 June 2011, Workshop on Coping with Crises in Complex Socio-Economic Systems 2011
- The microstructure of the European Interbank Market, Trieste, ICTP (Italy) 22-25 March 2011, Market microstructure: Design, efficiency and statistical regularities

F. Schweitzer

- Systemic risk in economic networks, Singapore Economic Review Conference, Singapore, 4 - 6 August 2011
- The risk to fail, International Workshop 'Coping with Crises in Complex Socio-Economic Systems', Zurich, Switzerland, 20 - 23 June 2011

Task 6.2: Contribution to portfolio and concertation activities at FET-Open level

During this period of time, there has been a growing interest in the topic of FOC by the Scientific Community.

At European scale, most of the activities of FOC have been addressed by the Flagship Initiative FUTURICT. Another proposal CRISIS has been financed in the area of the ICT with some common participants (M. Gallegati, D. Delli Gatti, G. Iori). Finally the new proactive initiative DyM-CS also covers some important questions addressed by FOC and some FOC participants will present a proposal for a grant in this proactive action. In all these cases it has been necessary to harmonize the new activities envisaged in these project with what was already financed and approved in this FOC project.

Ideally all these activities should cooperate in order to achieve the same common goal of *using the results of science of complexity to help taming the risks of economic downturns*. This goal is particularly ambitious, because while at a lower level research can only be competitive between different teams, at a higher level we need to find a way at least to communicate each other our own results and establish a common agenda of scientific priorities.

During these months we tried to collaborate with the group external to FOC in order to achieve such results. For the moment we agreed on Zurich as the node of an observatory on financial crises in the FutureICT project. This activity will build on the results of the FOC project in that node. At the moment we are negotiating with CRISIS the possibility of a commonly organized school in Dubrovnik (Croatia).