

Volume 28, Issue 2**Research Announcement****Trading of Innovations to Combat Globalization**

Balkrishna Rao
Purdue University

Shrikanth Rao
ING Vysya Bank

Anantha Sundararajan
Purdue University

Abstract

The twin phenomena of globalization and global-warming have put human-innovation at the forefront for member countries of the Organization for Economic Cooperation and Development (OECD). Our research effort lays the foundation for monetizing creativity by listing the necessary concepts and methods for trading innovations. It has attempted to identify the uncertainties (risk levels) associated with innovations and their impact on trading. Six different designs have been enumerated for trading innovations with commensurate yields. The schemes outlined in this work for trading innovations, along with existing ones for emissions control, could form a formidable strategy to tackle the phenomenon of global-warming.

Completed draft available on request from:

Balkrishna Rao
Purdue University
balkrish@ecn.purdue.edu