Many goods are not obviously best provided by unregulated markets. This does not necessarily imply that government does a better job. But research can do society a service in defining why markets have a hard time with some goods, and in comparing institutional arrangements aiming at their provision. In a precise way, the problem is defined by the concept of public goods. Capitalising on the theory of mechanism design, it can be further improved. Using experimental methods, it can be put into perspective. Yet some social dilemmas are better analysed in alternative categories. It may even be preferable to start analytically from the political decision to intervene into markets. The institute tackles these questions from the combined perspectives of economics, law and psychology. While the institute started with applications from environmental problems, current work focuses on antitrust, regulation and financial stability.

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