

## NHH



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The Research Council of Norway



## FAIR Centre for Experimental Research on Fairness, Inequality and Rationality

## ANNUAL REPORT 2020 #FAIRNHH

Our aim is to conduct groundbreaking experimental research on how to address inequality in society.

We use innovative methodological approaches and promote transparency in social sciences.

### WORDS FROM THE CENTRE DIRECTOR

It is safe to say that FAIR'S third year turned out very differently from what we expected at the start of 2020. The COVID-19 pandemic truly challenged how we implement our research projects and stay in touch with our large international research network. It also placed inequality and fairness at the center of the public debate on how to handle the crisis.

The FAIR team rose to the challenge. In innovative ways, the FAIR researchers have adapted their research designs and launched important research projects on the consequences of the pandemic. Many of our researchers have also contributed actively to the public debate on the pandemic, both nationally and internationally. Beyond the pandemic, the research team has launched new important research projects on inequality, including a large-scale global project on the moral mind and several research projects on childhood inequality.

We have managed to remain a research hub for the international research community on fairness and inequality throughout the year. We went digital with our seminar series and launched FAIR Online Sessions, which included exciting workshops and seminars on a wide range of topics.

The annual report showcases the spectrum of exciting activities at FAIR in this very different year. We hope that we can welcome you back in Bergen soon!

Bertil Tungodden, Centre Director

Kert Ingodden

13

## 2020 AT A GLANCE

### Research

Publications	21
Projects	37
Countries of research	64

### Hub in Europe

New hires	10
Guest speakers	23
Online sessions	38





### SELECTED PROJECTS

Criminality, Victimization and Social Interactions (ERC)

Project manager: Katrine Vellesen Løken

#### Dynamics of Inequality Across the Life-course (NORFACE)

Project manager: Kjell Gunnar Salvanes

#### Fairness and the Moral Mind (ERC)

Project manager: Bertil Tungodden

#### Fair Inequality and Personal Responsibility (RCN)

Project manager: Bertil Tungodden

#### From household decisions to global comparison (RCN)

Project manager: Ingvild Almås

#### Growing up Unequal? The Origins, Dynamics and Lifecycle (NORFACE)

Project manager: Kjell Gunnar Salvanes

#### Inequality Acceptance: the role of self-interest,

#### freedom an special obligations (RCN)

Project manager: Alexander Wright Cappelen

#### Parenting Styles and Lifetime Inequality (RCN)

Project manager: Kjell Gunnar Salvanes

#### Reducing Inequality Through Complementarities (RCN)

Project manager: Aline Bütikofer

#### Tanzania Cohort Study (RCN)

Project manager: Ingvild Almås

#### Understanding Paternalism (RCN)

Project manager: Alexander Wright Cappelen



#### FEATURED PROJECTS 2020

#### CHILDHOOD GAP

A central theme across all projects at FAIR is a better understanding of the origins, persistence and consequences of inequality. The general background is the sharp increase in inequality within and across countries in recent years, affecting people's employment prospects, educational attainment and health status. Rising inequality may transform the economic, societal and political spheres.

The Childhood Gap project studies the drivers of inequality in childhood and asks the question: What determines a child's success in school and in the labor market? The socioeconomic gap appears early in life, grows into adulthood, and persists across generations. A large social science literature documents sizeable childhood inequality in life outcomes, in favor of children from high socioeconomic status (SES) backgrounds.

For example, children from higher socioeconomic status families do better in school, receive more education, find better jobs and achieve higher earnings. Children growing up in wealthier neighborhoods tend to perform better in school and the labor market than children from more distressed areas. Moreover, we know that these gaps emerge already in early childhood in, for instance, better literacy proficiency and communication skills among children from high socioeconomic backgrounds. In addition, socioeconomic differences persist across generations.

In this project, we aim to expand our understanding of why these socioeconomic differences manifest themselves in early childhood, and why they are so persistent. The methodological approach is to obtain multifaceted information on different dimensions of the child's sphere from early childhood with parents, in day care, and in different grades from primary school to high school. We collect information on preferences and beliefs of both parents and children, as well as cognitive and socio-emotional skills among children. We will also run experiments to obtain causal variation in key mechanisms.



Core research team Alexander Wright Cappelen (NHH) Aline Bütikofer (NHH) Bertil Tungodden (NHH) Erik Øiolf Sørensen (NHH) Katrine V. Løken (NHH) Kjell Gunnar Salvanes (NHH)

A novelty in our design is to combine these measures with rich longitudinal register data, characterizing the parental background and neighborhoods the children grow up in at different ages, the composition of school peers, and the children's performance in the educational system and the labor market. This ensures that we follow individuals over a long time horizon at low cost and without attritional issues.

While many parts are still works in progress, we have begun designing and implementing several studies on childhood development from day care through middle school. In these projects, we study different aspects of parental involvement and the role of teachers and peers in explaining children's behavior and performance. In one project, we collect information and conduct experiments on children from four age groups – preschool, early primary school, late primary school and middle school – studying the effects of parental style on children's behavior and performance.



In particular, we study the role of parents' willingness to give children the freedom to make their own choices. The role of paternalism is arguably a key feature of parental style and may directly affect the child's traits and preferences. It is also likely to be an important mediator between children's traits and preferences on the one hand and their life outcomes on the other (by affecting the role of the child's own traits/preferences). In another study, we look at the gender composition of siblings and the gender and socioeconomic composition in day care and early primary school, and at how gender affects children's traits and preferences as well as their cognitive and socio-emotional skills. Socioeconomic and gender differences are at the core of all the analyses. In 2021 we expect to implement more designs and see the initial results from the projects already implemented. Stay tuned for next year's update!



## CHILDCARE FOR BUSINESS AND CHILDHOOD DEVELOPMENT

Can providing access to childcare services for three to five year-old children (i) improve children's educational (and health) outcomes, (ii) stimulate the development of female-run businesses, and (iii) improve the effectiveness of mainstream business development interventions, such as business grants? These are the key research questions that we address in this research.

Microenterprises are an important source of employment, and developing such enterprises is a key policy concern in most countries, especially in lowincome countries where women make up more than half the labor force. But while there is a lot of optimism about the power of finance for small-scale business development, a growing literature shows that success cannot be taken for granted and may critically depend on the entrepreneur's gender, educational background, and business skills.

Several studies point to social constraints – and in particular to domestic obligations – as an important barrier to women's ability to benefit from access to loans or capital grants. In this project, we integrate domestic constraints in the study of business development by combining a direct business support intervention with a family support intervention.

More specifically, in collaboration with BRAC Uganda, we conduct a randomized experiment that provides randomly selected women with: (i) subsidized access to childcare (the family support intervention), (ii) a business grant (the business support intervention), and (iii) childcare and a business grant combined (to understand complementarities). A fourth group will serve as a control group.













Core research team Arne Nasgowitz (NHH) Denise Ferris (BRAC Uganda) Kjetil Bjorvatn (NHH) Lore Vandewalle (Graduate Institute of International and Development Studies) Selim Gulesci (Trinity College, Dublin) Vincent Somville (NHH) Our project is located in 454 communities, in the western, central and eastern part of Uganda, containing at least one nursery school. To identify eligible households, we conducted a census in September 2018 in each of the 454 communities. To be eligible, a household had to satisfy three criteria: (i) the female caregiver should be present within the household (e.g. mother or grandmother), (ii) the household should have one (and only one) child in the age range 3-5 (the "target child") and (iii) the children shouldn't already be attending full time childcare (but we allowed for children attending part-time child-care). From the list of eligible households, we randomly selected 1496 in 400 communities to participate in the baseline survey.

The implementation of treatments started February 2019 and was completed in December 2019. A childhood development survey was conducted December 2019, using the IDELA tool developed by Save the children, while a full business and household follow-up survey was conducted in February 2020, before the lockdown of the country due to COVID-19.

Preliminary results show that free access to childcare has improved child development, in terms of early literacy, numeracy, and motor development, and made labor in self-employment more productive. Household profits go up and the same holds for the profits of women's businesses, conditioned on not having a younger child in the household. The cash grant of a similar value and timing triggers an occupational shift from wage labor to self-employment, but business profits increase only if cash is complemented by daycare. This observation lends support to the hypothesis that limited access to childcare is one reason why returns to capital are lower in female-owned microenterprises. In sum, our results point to the importance of easing women's time constraint when seeking to stimulate female business development through microfinance and business grants.

Domain	Feature	
Gross and fine motor skills	Hopping on one foot Copying a shape	Drawing a huma figure Folding a piece of paper
Emergent literacy and language	Print awareness Letter identification Phonemic awareness	Expressive vocabulary Emergent writing Listening
Emergent numeracy	Measurement and comparison Number identification One to one correspondence Simple problem solving	Classification and sorting Shape identification Simple arithmetic
Social – Emotional development	Peer relationship Empathy Conflict	Emotional awareness and regulation Self-awareness



## INTERGENERATIONAL MOBILITY, EARLY HEALTH SCHOCKS AND PUBLIC POLICY:

In this project, we analyze the long-term effects of several important public health policies in Norway starting in the 1930s. We can thus examine the role of the introduction of the Norwegian welfare state on the outcomes of individuals when growing up.

While the current SARS CoV-2 pandemic mostly threatens the elderly, infectious diseases mostly cause suffering and death among children. For example, approximately 1.4 million children under the age of five die from pneumonia each year and 800,000 from diarrheal disease. The long-term gains from eradicating infectious diseases for health and human capital outcomes are potentially very high, as childhood health conditions explain a substantial amount of the variation in the economic capabilities of adults.

While tuberculosis is very seldom among children in OECD countries today thanks to effective disease control measures, tuberculosis is still a global epidemic among children, with one million children becoming ill with tuberculosis every year and approximately 230,000 dying, mostly in low- and middle-income countries. This paper studies the short-term, long-term and intergenerational consequences of a very large tuberculosis control effort in the 1940s in Norway.



Core research team Aline Bütikofer (NHH) Kjell Gunnar Salvanes (NHH)



Norway is an interesting case in the context of tuberculosis, because the country had one of the highest tuberculosis infection rates in Europe in 1940, at a time when tuberculosis remained a major health threat across Europe. By 1945, tuberculosis accounted for about 5 percent of all deaths in Norway. The introduction of the antibiotic streptomycin in 1946 allowed the effective treatment of tuberculosis, and the disease became less fatal. However, even treated tuberculosis can cause permanent damage to the lungs, making breathing and physical activity difficult. Of particular importance in combating tuberculosis was a nationwide tuberculosis testing and vaccination program launched in 1948. The program included tuberculosis testing and made vaccination with BCG compulsory for the entire uninfected population. Over several years, teams of doctors and nurses traveled by bus and boat to screen and vaccinate the entire population of Norway.

At the time, children were often infected around the age they started school and suffered from the active disease as teenagers – a group about which we still lack detailed knowledge regarding the long-term consequences of health shocks. The project uses the tuberculosis control campaign as a source of exogenous variation in adolescent disease exposure, and examines the campaign's contemporaneous and long-term consequences on adult human capital, labor market outcomes, and health outcomes. The results suggest that individuals growing up in municipalities with higher levels of tuberculosis infections prior to the control program experienced larger gains in education and earnings as well as increases in longevity and adult height following the intervention compared with individuals growing up in municipalities with low disease exposure.

Tuberculosis is not simply an infectious disease; it is also a social disease, with infections exacerbated by inadequate nutrition and spread through cramped and overcrowded living conditions, thereby making tuberculosis a greater health threat for the poor. Hence, economic inequality might be reduced through the campaign. Indeed, the findings indicate that the effect on education and labor market outcomes was larger for individuals from a low socioeconomic background and that the campaign increased intergenerational mobility in education for the exposed cohorts. Furthermore, the results document statistically significant positive effects of campaign exposure on birth weight, years of education, earnings, and height of the exposed cohort's children.



#### NOTE

The map displays the average number of individuals infected with active tuberculosis by the end of the year per 100 inhabitants from 1940 to 1946 by municipality

Overall, the results give some indication that current policies targeting health threats that are more prevalent among poor children, such as asthma and lead exposure, might lower inequality. Although there are clear similarities between the Norwegian tuberculosis control campaign and, for example, current tuberculosis awareness campaigns in India, it remains an open question whether similar gains from tuberculosis control could also be realized in low-income countries. Nevertheless, should the UN meet its very ambitious goal of eliminating tuberculosis by 2030, this achievement could improve the human capital of millions of poor children.

#### UNDERSTANDING PATERNALISM

People sometimes make choices that are not in their best interest, and this creates opportunities for others to intervene to prevent them from making mistakes. The use of paternalistic interventions is a key issue in the relationship between the state and its citizens. Should the state impose mandatory retirement savings and prohibit the sale of harmful products if doing so promotes the welfare of the citizens? Or should the government influence choices, if at all, in less intrusive ways? Questions about the appropriate role of paternalistic interventions are also at the heart of many interpersonal relationships, in particular the relationship between parents and their children, and the relationship between employees.

The fundamental normative question at the heart of the debate about paternalistic interventions is whether one always should intervene if doing so increases people's welfare or whether one should trade off potential welfare gains against loss of freedom. How people in the general population answer this question is of great importance for understanding the support for paternalistic interventions in society.

In a first study, we analyze the nature of paternalistic preferences in the general population of the United States using a large-scale, incentivized experiment. We sample 14,000 participants from the general population of the United States. They act as spectators who decide whether to intervene in real and consequential situations for stakeholders who are about to make a mistake. The spectators are given the opportunity to intervene in a way that ensures that the stakeholders get their preferred alternative.



Core research team Alexander Wright Cappelen (NHH) Bertil Tungodden (NHH) Björn Bartling (University of Zurich) Henning Hermes (NHH) Marit Skivenes (UiB)



In a first experiment in this study, we randomly vary the nature of the intervention in a between-subject design. In one treatment, spectators can implement a hard intervention, which involves removing the stakeholder's opportunity to make the mistake. In another treatment, spectators can implement a soft intervention by providing information to the stakeholder. The outcome of the intervention is the same for both types of intervention: if the spectators intervene, the stakeholders receive their preferred option, otherwise they do not. A comparison of spectator behavior in the two treatments identifies the causal effect of the nature of the intervention on the willingness to intervene. In a between-subject design, we also vary the reason why the stakeholder would make a mistake in the absence of an intervention, what we refer to as the source of the mistake.

This study provides two main findings. First, it provides causal evidence of the importance of the nature of paternalistic interventions to the general population in the United States. A large majority of the spectators is unwilling to intervene to prevent a stakeholder from making a mistake if the intervention restricts the stakeholder's freedom to choose, while a large majority of spectators intervenes when the intervention does not restrict the stakeholder's freedom to choose. Second, we show that the source of the stakeholder's mistake is of little importance to the spectators' willingness to intervene.

In a follow-up study, we show that the unwillingness to intervene to prevent the stakeholders' mistake is mainly motivated by a concern for the stakeholders' freedom, but also that a significant proportion of the spectators decide not to intervene because they rely on their own perception of which option is best for the stakeholder's welfare.

The research team is currently preparing the first paper in this project for submission. At the same time, data collection has been launched aimed at conducting a cross-country comparison of paternalistic preferences in more than 60 different countries.



Hard Intervention Mandatory Intervention Soft Intervention



### SELECTED PUBLICATIONS

#### PEOPLE ARE INTRINSICALLY MORALLY MOTIVATED IN THEIR DISTRIBUTIVE CHOICES

" Cutthroat Capitalism Versus Cuddly Socialism: Are Americans More Meritocratic and Efficiency-Seeking than Scandinavians?", Ingvild Almås, Alexander W. Cappelen and Bertil Tungodden Journal of Political Economy, 128(5), 1753-1788, 2020

#### LAID OFF WORKERS TURN TO CRIME

"Job Displacement. Unemployment and Crime: Evidence from Danish Microdata and Reforms", Patrick Dylan Bennett and Amine Ouazad Journal of the European Economic Association, 18(5), 2182 – 2220, 2020

#### LITTLE EVIDENCE OF ETHNIC BIAS AMONGST ORDINARY CITIZENS IN KENYA

"Ethnically biased? Experimental Evidence from Kenya", Lars Ivar Oppedal Berge, Kjetil Bjorvatn, Simon Galle, Edward Miguel, Daniel N. Posner, Bertil Tungodden, Kelly Zhang Journal of the European Economic Association, 18(1), 134 – 164, 2020

#### PRISON REDUCES CRIME AND INCREASES EMPLYOMENT AMONG EX-CONVICTS

"Incarceration, Recidivism and Emplyment", Manudeep Bhuller, Gordon Dahl, Katrine V. Løken and Magne Mogstad Journal of Political Economy, 126(4), 1269-1324, 2020

#### MORAL SUASION INCREASES TAX DECLARATION OF FOREIGN INCOME

"You've got mail: A randomized Field experiment on tax evasion", Kristina Maria Bott, Alexander W. Cappelen, Erik Ø. Sørensen and Bertil Tungodden, *Management Science, 66(7), 2801-3294, 2020* 

#### CHILDREN IN HIGH-RISK AREAS BENEFIT MOST FROM TUBERCULOSIS CONTROL

#### PROGRAM

"Disease Control and Inequality Reduction: Evidence from a Tuberculosis Testing and Vaccination Campaign", Aline Bütikofer and Kjell G. Salvanes, *Review of Economic Studies*, *87(5)*, *2087–2125*, *2020* 

#### EARLY CHILDHOOD EDUCATION HAS STRONG CAUSAL IMPACT ON SOCIAL PREFERENCES

"The Effect of Early Childhood Education on Social Preferences", Alexander W. Cappelen, John List, Anya Samek and Bertil Tungodden, Journal of Political Economy, 128(7), 2739-2758, 2020

#### LIVING IN NEIGHBORHOODS WITH LARGE IMMIGRANT POPULATIONS DO NOT IMPACT

#### LATER-IN-LIFE OUTCOMES

"Tipping and the effects of Segregation", Alexander Willén and Anders Böhlmark, American Economics Journal, Applied Economics 12(1), 318-347, 2020



See all publications on our website fair.nhh.no

### PHD DEFENCE

In 2020 one of our PhD students defended her PhD thesis at FAIR, NHH.

"I feel very lucky to have been part of the unique and inspiring research environment at FAIR during my PhD years. Here, I have always found genuine support and enthusiasm from great colleagues."



Sandra Halvorsen «Essays on household decision-making and women's labor supply in Ethiopia» 05. June 2020

### LIFE AT FAIR

Our aim is to be a vibrant research hub, where people meet, discuss, and develop projects. This year everything was different, from working from home to digital meetings. Still, we did our very best to keep the FAIR community close, with digital breakfasts, seminars, workshops, and meetings on Teams and Zoom. We have learned how to make better use of the digital space in our work and in our communication with others, but we have also realized how much we value the physical environment at NHH and all our friends across the world. We hope that we can be together again in person at FAIR in Bergen.



- 1. Alexander W. Cappelen, Bertil Tungodden and Ingvild Almås working from home..
- 2. FAIR teams first breakfast meeting after the restrictions came into effect in March 2020.
- 3. Kjetil Bjorvatn presenting his research project of the impact of covid in Uganda.
- 4. Pizza and presentation for the FAIR group.
- 5. The Choice Labs coffee last coffee meeting before lockdown.
- 6. Henning Hermes working from home in Germany
- 7. The new home of Ranveig Falch in Bonn, Germany



### **COVID-19 Research overview**

#### Social and Moral Pshycology During Covid-19

Mark Alfano, Valerio Capraro, Aleksandra Cichocka, Hallgeir Sjåstad, Paulo Boggio, Jay Van Bavel, Flavio Azevedo, Michele Birtel, Tomislav Pavlovic and Fehime Ceren Ay

#### Predicted COVID-19 fatality rates based on age, sex, comorbidities and health system capacity

Ingvil Almås, Tessa Bold, Tillmann von Carnapp, Selene Ghisolfi, Justin Sandefur and Jesse Heitne

#### The Macroeconomics of Pandemics in Developing Countries:

#### An Application to Uganda

Ingvild Almås, Tillmann von Carnap, Tessa Bold, Selene Ghisolfi and Justin Sandefur

National identity predicts public health support during a global pandemic: Results from 67 nations

Jay Van Bavel and Hallgeir Sjåstad

The best-case heuristic in risk prediction: Relative optimism in a global health pandemic Jay Van Bavel and Hallgeir Sjåstad



#### Cash against Covid-19: Evidence from a field experiment in Uganda

Kjetil Bjorvatn, Vincent Somville and Arne Nasgowitz

Solidarity and Fairness in Times of Crisis

Alexander W. Cappelen, Erik Ø. Sørensen, Ranveig Falch and Bertil Tungodden

#### Experienced Welfare under the COVID-19 Pandemic

Alexander W. Cappelen, Erik Ø. Sørensen, Ranveig Falch and Bertil Tungodden

### A Poorly Understood Disease? The Evolution of the Income Gradient in Excess Mortailty Due

#### to COVID-19 within Urban Areas

Laura Khoury, Paul Brandily, Clement Brebion, and Simon Briole

#### Covid-19 and Human Capital: Cataclysm and Catalyzer (C4)

Lasse B. Lien and Kjell G. Salvanes

#### Covid-19 in Mexico City: A survey and four behavioral experiments

Pablo Ignacio Soto Mota, Nuria Álvarez, Enrique Cáceres, Manuel García, Josafat Hernández, Lidia López and Adrian Vargas-López

### COVID-19: A GLOBAL PANDEMIC

COVID-19 has caused more than 2.5 million deaths world-wide, with many more harmed indirectly through family members at risk and job loss. It is arguably the most severe pandemic since the "Spanish flu", a century ago. Currently, medically approved vaccines are being distributed with promising results, while many countries remain in "lockdown" or other forms of restrictive regulations until the vaccination rate reaches an acceptable level.

#### COVID-19 RESEARCH AT FAIR

During these highly unusual and challenging times, the FAIR community has been actively engaged in studying the social and economic aspects of the COVID-19 pandemic. Until safe and effective vaccines have been developed and distributed globally, the first lines of response are political and behavioral. It has therefore been extremely important to study these responses using empirical research methods to offer both scientific analysis and advice to policy makers.

At FAIR, this has included experimental research on: solidarity and fairness in times of crisis (Cappelen, Sørensen, Falch, & Tungodden); experienced welfare under the COVID-19 pandemic (Cappelen, Sørensen, Falch, & Tungodden); the income gradient in excess mortality in urban areas Khoury, Brandily, Brebion, & Briole); COVID-19 in Mexico City (Soto Mota et al.), the impact of cash grants to soften the effect of the COVID-19--related lockdown in Uganda (Bjorvatn, Nasgowitz and Somville from FAIR, together with Gulesci, Ferris and Vandewalle); a global project on psychological responses to the pandemic (Van Bavel & Sjåstad); research on risk perception and policy support (Sjåstad & Van Bavel); and on the optimal policy response based on economic and epidemiological models (Almås from FAIR, together with Tillmann von Carnap, Tessa Bold, Selene Ghisolfi and Justin Sandefur).

### COVID-19: INTERNATIONAL COLLABORATION ON SOCIAL & MORAL PSYCHOLOGY

In response to the early phase of the COVID-19 pandemic, this study was initiated as a global social science project across 67 countries and 45,000 participants, organized by Jay Van Bavel (NYU) and Hallgeir Sjåstad (NHH/FAIR) in collaboration with more than 200 researchers. The FAIR researcher Ceren Ay is also part of the project, collecting data from a nationally representative sample in Turkey.

The primary goal of the project is to study the role of psychological factors and moral motivation in how people around the world are responding to the COVID-19 pandemic. As outcome variables, all participants reported their behavioral health intentions (social distancing and physical hygiene) and their support for COVID-19 policies to reduce the spread of the virus (lockdown interventions and travel restrictions). The data collection took place in the first wave of the pandemic (March/April 2020). In addition to direct responses to the pandemic, the study consisted of established survey measures from psychology and social science as predictor variables, including risk perception, moral motivation, identity, belief in conspiracy theories, political orientation, socio-economic status and more.





Figure 1 (Van Bavel et al., 2021).

Map of the 67 participating countries and territories with sample size scaled to color (grey areas = no data). The total sample included 46,769 participants.

The project generated a rich data source for social science research, and has already led to a working paper on the role of national identity in shaping responses to the pandemic. Across the world, people who identified with more strongly their nation reported stronger engagement in public health measures (social distancing and physical hygiene) and stronger support of COVID-19 policy interventions (travel restrictions and early lockdown). The results are consistent with the psychological literature on the benefits of identifying with one's social group, and the primary correlation remained robust when relevant control variables were included in a multi-level model. In addition, the core project team is currently working on a second paper on responses to the pandemic, using a machine learning approach to compare the predictive power of all independent variables in the global data set.

A secondary goal of this project has been to create a global database for central social science measures as a public good for the scientific community. Upon publication of the first paper from this project, the full data set will be made openly available to researchers all around the world.

The core research team consists of the following members: Jay Van Bavel, Aleksandra Cichocka, Valerio Capraro, Hallgeir Sjåstad, John B Nezlek and Paulo Boggio.

The working paper is openly available and currently undergoing peer review: "National identity predicts public health support during a global pandemic:

Results from 67 nations". (https://psyarxiv.com/ydt95/).



#### Figure 2 (Van Bavel et al., 2021).

Relation between collective concerns and public health measures in 67 countries and territories. The coefficients reflecting the relationship between national identity and each of the health measures are presented for each country from strongest (top) to weakest (bottom). The relationship with physical contact (red), policy support (green), and hygiene (blue) are color coded.

# THE FAIR INSIGHT TEAM

The FAIR Insight Team (FIT) connects FAIR with key stakeholders in society as well as the general public through initiating applied research projects and communicating research findings. FIT's projects center around labor markets, environmental issues, and financial decisions, and we collaborate closely with private businesses and public agencies and service providers in these areas.

In one project, which we are carrying out in cooperation with the Norwegian Labour and Welfare Administration (NAV), we are looking at nudges to reduce sick leave. Norway has the world's highest rate of sickness absence: around 6 percent of the labor force is on sick leave at any given time, and the yearly costs for society are estimated at around USD 6 billion. Reducing financial compensation for sickness absence, like introducing waiting days, is typically met with strong political resistance. This raises the question whether there are less intrusive ways of addressing this problem. One option is to inform employees that they are in fact not required to stay at home during the entire period of sickness absence: indeed, it may be beneficial from both a career perspective and a health perspective to return to work early if their health has improved. The project will be implemented as a randomized controlled trial, and we will measure the impact of the information nudge on the length of sickness absence as well as worker and employer satisfaction.

In another project, which is being conducted in cooperation with the insurance company Tryg, we investigate the degree of honesty in society, and ways of encouraging honest behavior. We use the mind-game paradigm from behavioral economics on a nationally representative sample in Norway. In the experiment, dishonest behavior was economically incentivized but impossible to detect at the individual level. The results showed that approximately one out of four participants was willing to misreport factual information to earn a bonus payment of USD 100, whereas about three out of four remained honest despite the economic incentive to lie. Crucially, we also found that the level of dishonesty was halved in a trust-based condition. The only difference from the control condition was that participants in the experiment group were exposed to a trust message prior to their choice ("We trust you") and confirmed that they would report accurate information. In conclusion, the results suggest that informal reminders of mutual trust can reduce dishonesty. Additional experiments will be carried out to explore the underlying mechanism of the effect and to test the cultural generalizability of trustbased commitments across different countries.

Dishonesty: Control = 27% vs Trust = 13% (p<.001)





Core research team Aline Bütikofer (NHH), Armando G. Pires (SNF) Astrid O. Ervik (SNF), Hallgeir Sjåstad (SNF) Ingrid H. Sjursen (SNF), Julian V. Johnsen (SNF) Kjetil Bjorvatn (NHH), Mathias P. Ekström (NHH)

### THIS IS US

#### **FAIR IN 2020**





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Sebastian Fest









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- 4. Richard Blundell (University College London)









### SCIENTIFIC COORDINATION GROUP

1. Alexander W. Cappelen (Deputy Director)2. Bertil Tungodden (Centre Director)3. Erik Ø. Sørensen (Principal Investigator)4. Ingvild Almås (Principal Investigator)5. Katrine V. Løken (Principal Investigator)6. Kjetil Bjorvatn (Leader of FAIR Insight Team)7. Kjell G. Salvanes (Deputy Director)8. Sandra Black (Principal Investigator )0. Kiptil G. Salvanes (Deputy Director)9. Sandra Black (Principal Investigator )1. Director (Deputy Director)1. Director (Deputy Director)1. Director (Deputy Director)1. Director (Deputy Director)2. Director (Deputy Director)2. Director (Deputy Director)3. Director (Deputy Director)3. Director (Deputy Director)3. Director (Deputy Director)3. Director (Deputy Director)4. Director (Deputy Director)5. Director (Deputy Director)5. Director (Deputy Director)6. Director (Deputy Director)6. Director (Deputy Director)6. Director (Deputy Director)6. Director (Deputy Director)

### FAIR ADMINISTRATION GROUP

- 1. Adriana Condarco-Quesada (Project Coordinator International Projects)
- 2. Anna Zheleznaya (Financial Officer)
- 3. Arn-Tore Haugsdal (Data Scientist)
- 4. Gabriela Saez (Centre Coordinator)
- 5. Ingeborg Korme (Center Coordinator)
- 6. Janina Juranek (Head of Administration)
- 7. Sebastian Fest (Research Data Manager)
- 8. Susanne Løge (Center Coordinator)













### VISITING PROFESSORS

I value tremendously by affiliation with FAIR. Not only allows me to access a vibrant research environment, but it has also given rise to some important collaboration. It is now several years that we have started collaborating on a measurement project in Tanzania, which will lead to improved measurement tools of child development in developing countries and elsewhere as well as measurement of important drivers if individual behaviour, such as beliefs, attitudes and bargaining power within marriages. This collaboration has been an integral part of my Presidential address to the Econometric Society, which I have written in collaboration with Ingvild Almas and Pamela Jervis.

























1. Anna Aizer (Brown University) 2. Anya Samek (University of Southern California) 3. Ariel Kalil (University of Chicago) 4. Björn Bartling (University of Zurich) 5. Gordon Dahl (University of California, San Diego) 6. James Heckman (University of Chicago) 7. Janet Currie (Woodrow Wilson School) 8. Magne Mogstad (The University of Chicago) 9. Matthew Rabin (Harvard University) 10. Orazio Attanasio (Yale University) 11. Paul Devereux (University College Dublin) 12. Pedro Carneiro (University College London) 13. Sandra E. Black (Columbia University) 14. Shachar Kariv (University of California, Berkeley) 15. Uri Gneezy (University of California, San Diego) 16. Lise Vesterlund (University of Pittsburgh)











### **GENDER EQUALITY AND BALANCE**

FAIR is actively promoting gender equality. Together with the Research Council of Norway's Balanse project Women in Economics Network (WomEN), in 2020 FAIR focused on expanding our networking platform that fosters interaction among female economists and increases the visibility of research projects led by women.

To facilitate networking among NHH students and faculty members and to highlight the variety of careers for female economists, FAIR and WomEN hosted an event called Women in Economics. The event gave current NHH students insights into career prospects for economists. Ten female NHH graduates talked about their career choices and discussed with NHH faculty how to promote women in the workforce and in leadership positions.

To maintain a platform for interaction during a time when traveling has become difficult, WomEN established a new series of 30-minute virtual networking meetings targeting female economists in all the Nordic countries. Helena Skyt Nielsen (Aarhus University), Sandra Black (Columbia University), Katrine Løken (NHH), and Eliana La Ferrara (Bocconi University) talked about refereeing, presenting, networking and other topics promoting research careers to a group of 60–100 female economists.

WomEN organized two presentation training courses to help female researchers improve their presenting, networking and teaching skills. The courses combine knowledge and experience from journalism, voice research, movement theory, and top-level sports and focus on female academics' challenges.





 Women in Economics event Women's day 2020.
Paneldiscussion on women and careers.
Mingling and Tapas following the discussion.
Siri D Isaksson (NHH), Maria Østerhus Lobo (Econa), Johanne Vaagland (NHH)



## MEDIA CONTRIBUTIONS

Honorable mentionings in international media.

#### New York Times April 16, 2020 The Coronavirus Is Changing How Americans View One Another

Alexander W. Cappelen, Ranveig Falch, Erik O. Sorensen, Bertil Tungodden and Gus Wezerek

America will almost certainly emerge from the coronavirus pandemic as a different society. A new survey suggests the experience has already changed what we believe we owe our neighbors and how much economic inequality we find acceptable.

Seeking to understand how the crisis might affect Americans' moral perspectives, Times Opinion partnered with Alexander W. Cappelen, Ranveig Falch, Erik O. Sorensen and Bertil Tungodden at <u>FAIR</u> — Centre for Experimental Research on Fairness, Inequality and Rationality. We surveyed a representative group of 8,000 Americans between March 18 and April 2. The results reveal a surprising paradox: The pandemic has increased Americans' feelings of solidarity with others, but it has also increased their acceptance of inequalities due to luck.

These shifts may over time affect public opinion on policies for lessening the social and economic impact of the virus. The increase in solidarity has the potential to bolster unity among Americans and sharpen a focus on the more vulnerable groups in society. But the increase in acceptance of inequalities may work in the opposite direction, undermining efforts to help these groups and reduce inequalities. For the moment, the survey suggests that the shifts are effectively canceling out each other, leaving overall support for policies such as universal health care unchanged.

You can answer two of the key questions from the survey and compare your answers with what we found among Americans.

FAIR research was also covered in many other national and international outlets, including:









#### Media contributions FAIR per month 2020 (in Norway)



#### TWITTER

... to find the best and most interesting articles in Labour and Behavioural Economics @fair\_cele @thechoicelab

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#### FACEBOOK

... to know everything that is going on at FAIR www.facebook/fairnh

#### YOUTUBE

... meet the best and brightest who visit usat FAIR www.youtube.com/user/NHHno



#### WEBSITE

... to see all our publications, projects, collaborators and events https://fair.nhh.no



#### INSTAGRAM

... research in a beautiful setting @fairnhh



#### NEWSLETTER

... to know why you should come to Bergen for events https://fair.nhh.no

### STATEMENT OF ACCOUNTS

#### SFF FAIR



International partners in-kind- 3% Other fundss- 2%

IncomeMNOKThe Research Council of Norway19,7Norwegian School of Economics26,8EU funds6,5International partners in-kind1,5Other funds9,1Income, total55,6



**EXPENSES** 

Payroll and indirect expenses – 75% Assignments to international partners -4% Experiments and data purchases – 14% International partners in-kind - 3%

Other operating expenses – 5%

Expenses	MNOK
Payroll and indirect expenses	41,4
Experiments and data purchases	7,8
Other operating expenses	2,7
Assignments to international partners	1,9
International partners in-kind	1,5
Expenses, total	55,6

### PARTNERS





The Research Council of Norway



CENTER FOR THE ECONOMICS OF HUMAN DEVELOPMENT The University of Chicago



Digital Social Science Core Facility **b r i q** Institute on Behavior & Inequality Initiated by Deutsche Post Foundation



BERKELEY INITIATIVE FOR TRANSPARENCY IN THE SOCIAL SCIENCES



University of California Center for Effective Global Action