

NHH



FAIR

Centre for Experimental
Research on Fairness,
Inequality and Rationality

#FAIRNHH

ANNUAL REPORT 2018

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.

AN INSPIRING FIRST YEAR



The first complete year of FAIR has been both exceptionally rewarding and hectic. Our aim is to make FAIR a hub in Europe for experimental research on fairness, inequality and rationality, and we feel that we have taken a step in this direction.

With the support of NHH, we have had the opportunity to create a centre that can inspire research collaboration and host a large number of visitors.

The Inaugural Conference showcased our outstanding group of international collaborators and the many exciting ongoing projects at FAIR, and reflected our vision of conducting truly groundbreaking research on how to address inequality in society.

The present report provides a glimpse of our journey this year, we hope you find it inspiring.

Bertil Tungodden,
Centre Director



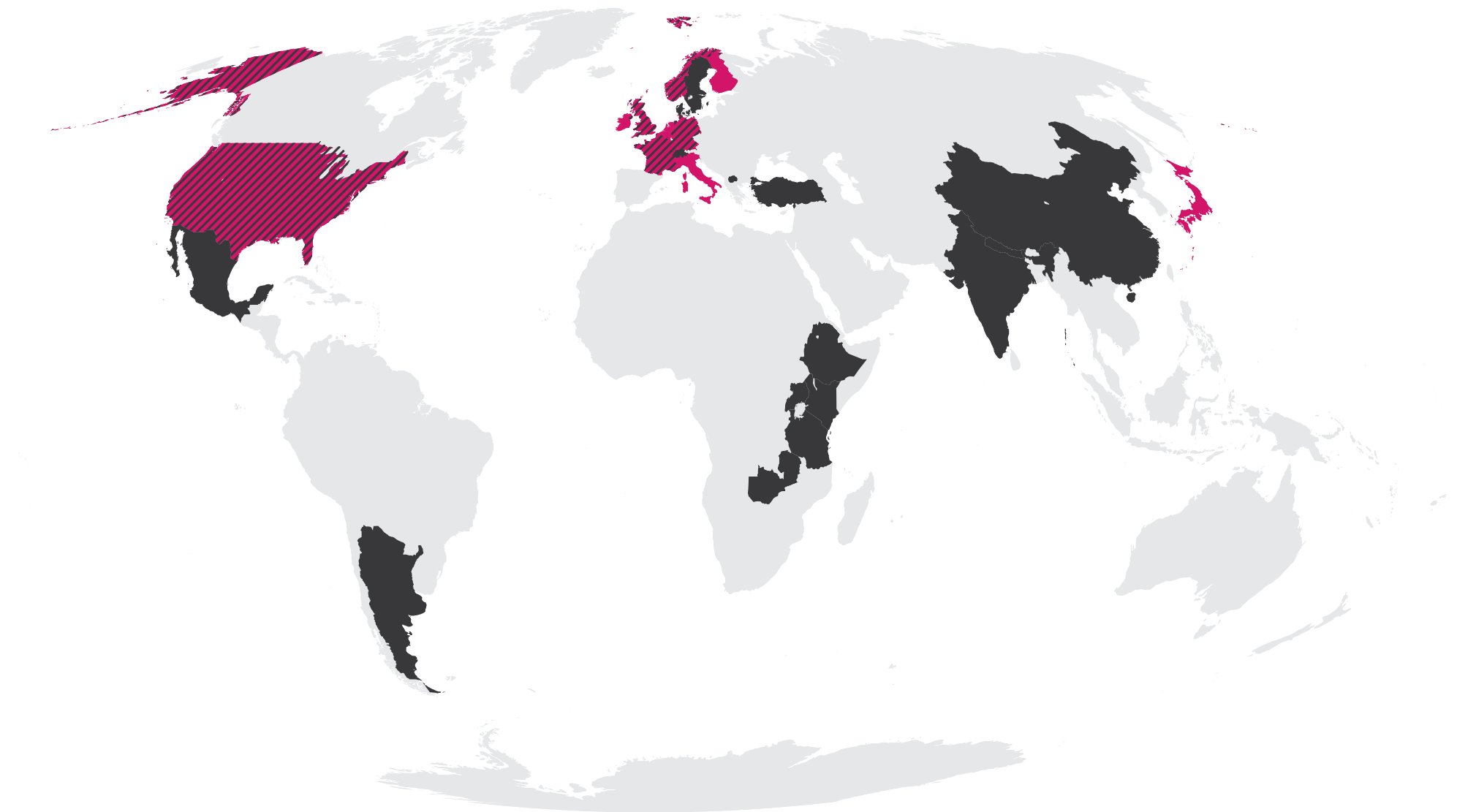
2018 AT A GLANCE

Research

Publications	21
Working papers	17
Projects	26
Collaborators	33

Hub in Europe

New hires	7
Guests	42
PhD courses	3
Conferences	3



UNDERSTANDING GLOBAL CHALLENGES



Photo: Siv Dolmen

The research agenda of FAIR matters for our understanding of the most important developments and global megatrends of our time. Issues that take centre stage include growth, inequality, sustainability and political polarization. For NHH as a business school, insights related to this makes perfect sense. The leaders of the future must combine knowledge of business models and technology with a deep understanding of the global challenges facing our society.

I am fully convinced that FAIR will have a very successful journey in the years ahead. Ambitions are high, but the faculty and staff of FAIR have what it takes. The activity level has been exceptionally high from day one.

This stimulates all the surrounding activities at NHH. It is a privilege to have such an international research hub right in the middle of our campus.

Øystein Thøgersen,
Rector NHH

SELECTED FAIR PROJECTS

Childhood Gap

Criminality, Victimization and Social Interactions

Understanding Paternalism

Inequality and Personal Responsibility

Reducing Inequality Through Complementarities
in Investments in Education and Health

Child Care for Childhood and Business Development

New Approaches to Measuring Inequality

Parenting Styles and Life Time Inequality

Health and the Labour Market

Fairness and the Moral Mind

FOUR KEY PROJECTS OF 2018



What shapes inequality acceptance?

“Fairness and the Moral Mind”
(ERC Advanced Grant)

Principal Investigator: Bertil Tungodden

We aim to provide new evidence on how inequality acceptance develops in childhood and adolescence. A main part of the project will be to conduct a large-scale experiment in 60 countries, to study experimentally how people make distributive choices. A feature of this project is that we provide the first set of evidence on how adults make distributive choices involving children. There are striking differences in the attitudes to inequalities across the world, and a possible explanation for the large variation in inequality acceptance is that people in different societies had different experiences with how inequalities are handled during their childhood.



What works in prison?

“Criminality, Victimization and Social Interactions”
(ERC Starting Grant)

Principal Investigator: Katrine V. Løken

In our research on Norway’s prison system we find that incarceration lowers the probability of an individual reoffending within five years, that this is not due to an incapacitation effect and that individuals who were not working prior to incarceration see the largest reductions in crime. Time spent in prison, with a focus on rehabilitation, can help ex-convicts reintegrate into society and reduce inequality by lifting the most disadvantaged groups in society. The Norwegian prison system is successful in increasing participation in job training programs, encouraging employment and discouraging crime, largely due to changes in the behaviour of individuals who were not working prior to incarceration. This suggests that job training, employment and reduced recidivism go hand in hand.



Is 1+1 more or less than 2?

“Reducing Inequality Through Complementarities in Investments in Education and Health”
(NFR Unge forskertalenter – FRIHUMSAM)

Principal Investigator: Aline Bütikofer

We aim to understand what combination of policies can help levelling the playing field among poor and rich children as inequality among children is rising. What is the effect of access to both health care during pregnancy and in the first year of life? Do infants benefit even more from health care if their mothers had access to medical care? We will study whether different policies affecting infant health, early-life education, nutrition and mental health are compensating or reinforcing each other. The project can inform the design of early life policies that can reduce social, economic and health inequalities.



Why does inequality persist?

“Parenting Styles and Life Time Inequality”
(Toppforsk - FRIHUMSAM)

Principal Investigator: Kjell G. Salvanes

In the past decades, economic and social inequalities have risen sharply in most Western countries, including education, employment, income and health. The socio-economic gradient shows up early in life, and the gap persists across generations. How much of the socioeconomic gradient reflects differences in parents’ investments in the human capital of their children? How does education and labour market policies influence these dynamic processes? In this project, we aim to answer the questions of how we design effective policies to target fundamental inequalities in a society.



SELECTED PUBLICATIONS

We are happy to have published 21 peer-reviewed papers and 17 working papers in 2018.



See all publications on our website
fair.nhh.no or follow us on Facebook.

BOARD QUOTAS DID NOT INCREASE FEMALE REPRESENTATION IN TOP POSITIONS

“Breaking the Glass Ceiling: The Effect of Board Quotas on Female Labor Market Outcomes in Norway”,
Marianne Bertrand, Sandra Black, Sissel Jensen and Adriana Lleras-Muney, **Review of Economic Studies**

EXPOSURE TO FALLOUT FROM NUCLEAR WEAPON TESTING WHILE IN UTERO AFFECTS THE REST OF YOUR LIFE

“This Is Only a Test? Long-Run Impacts of Prenatal Exposure to Radioactive Fallout”,
Sandra Black, Aline Bütikofer, Paul Devereux and Kjell G. Salvanes, **Review of Economics and Statistics**

ACCESS TO MOTHER AND CHILD HEALTH CARE CENTERS INCREASED SCHOOLING AND EARNINGS, ESPECIALLY FOR CHILDREN FROM A LOW SOCIOECONOMIC BACKGROUND

“Infant Health Care and Long-Term Outcomes”,
Aline Bütikofer, Katrine V. Løken and Kjell G. Salvanes, **Review of Economics and Statistics**

LOSE YOUR JOB, TURN TO CRIME?

“Job Displacement, Unemployment, and Crime: Evidence from Danish Microdata and Reforms”,
Patrick Bennett and Amine Ouazad, **Journal of the European Economic Association**

DIGITAL PAYMENTS INDUCE LARGE INCREASES IN SAVINGS

“Saving by Default: Evidence from a Field Experiment in Rural India”,
Vincent Somville and Lore Vandewalle, **American Economic Journal: Applied Economics**

NO EVIDENCE OF CO-ETHNIC PREFERENCES IN KENYA

“Ethnically Biased? Experimental Evidence from Kenya”,
Lars Ivar Oppedal Berge, Kjetil Bjorvatn, Simon Galle, Edward Miguel, Daniel N. Posner, Bertil Tungodden and Kelly Zhang, **Journal of the European Economic Association**

HIGH INDIVIDUAL ABILITY IS MORE IMPORTANT THAN DIVERSITY TO BATTLE CONFORMITY

“Does Gender Diversity Promote Nonconformity?”,
Makan Amini, Mathias Philip Ekström, Tore Ellingsen, Magnus Johannesson and Fredrik Strömsten, **Management Science**

PEOPLE ARE INTRINSICALLY MORALLY MOTIVATED IN THEIR DISTRIBUTIVE CHOICES

“Face-Saving or Fair-Minded: What Motivates Moral Behavior?”,
Alexander W. Cappelen, Trond Halvorsen, Erik Ø. Sørensen and Bertil Tungodden, **Journal of the European Economic Association**

FAIR INAUGURAL CONFERENCE

We officially inaugurated FAIR 18 – 19 June with 92 of our members and collaborators at NHH in Bergen. John List (University of Chicago), James Heckman (University of Chicago) and Marianne Bertrand (University of Chicago) as keynote speakers, a policy session on poverty and inequality by FAIR Insight Team, 24 presentations and 20 poster presentations gave us the perfect start. It was a great beginning for our centre!

Professors Kjell G. Salvanes and Sandra E. Black at the poster presentation



All photos: Helge Skodvin



Opening remarks by Marte Mjøs Persen, Mayor of Bergen



PhD students Pablo Soto Mota and Ceren Ay at the poster presentation



Keynote speaker John List (University of Chicago)



FIVE PHD DEFENCES

In 2018 five PhD students defended their PhDs at FAIR and we are very proud of them.

Antonio Dalla-Zuanna
“Essays in Empirical Labour Economics”

Øivind Schøyen
“On the Future of the Welfare State in a Multi-Ethnic Society”

Ingrid Hoem Sjørusen
“Essays on Behavioural Development Economics”

Serhat Ugurlu
“Essays in Economic Measurement and Consumer Behaviour”

Charlotte Ringdal
“Essays on Women’s Bargaining Power and Household Decision-Making”

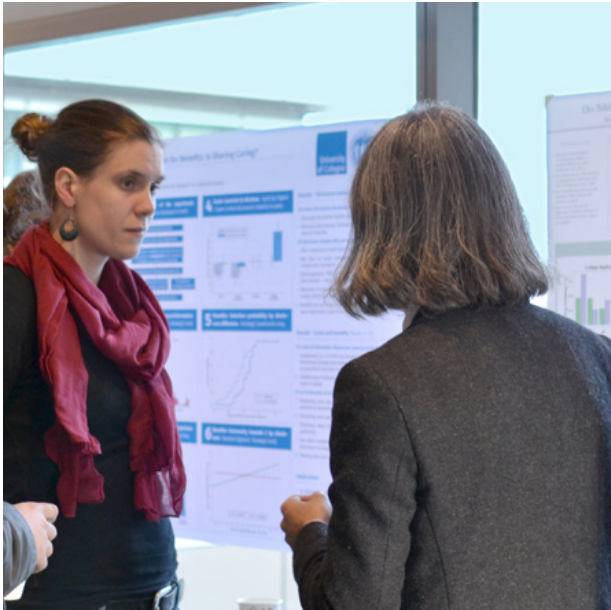


Awards
Bergen Awards:
Best research group 2018

THREE PHD COURSES

PhD students are the researchers of tomorrow, and creating spaces for them to learn and network are of utmost importance for us at FAIR.

In 2018 we organised three PhD courses; the 6th Spring School in Behavioural Economics in San Diego (4 – 8 March), PhD course with Karthik Muralidharan in Bergen (6 – 9 august) “Field Experiments in Education” and PhD course with George Loewenstein in Bergen (20 – 23 August) “Introduction to Behavioural Economics”.



PhD student Ingvild Skarpeid at the 6th Spring School in Behavioural Economics in San Diego



MENTORING WOMEN

FAIR actively promotes gender equality in economics and hosts a biannual research and career-mentoring event for all female economists at NHH. In 2018, Sandra E. Black and Lise Vesterlund were part of the mentoring events.



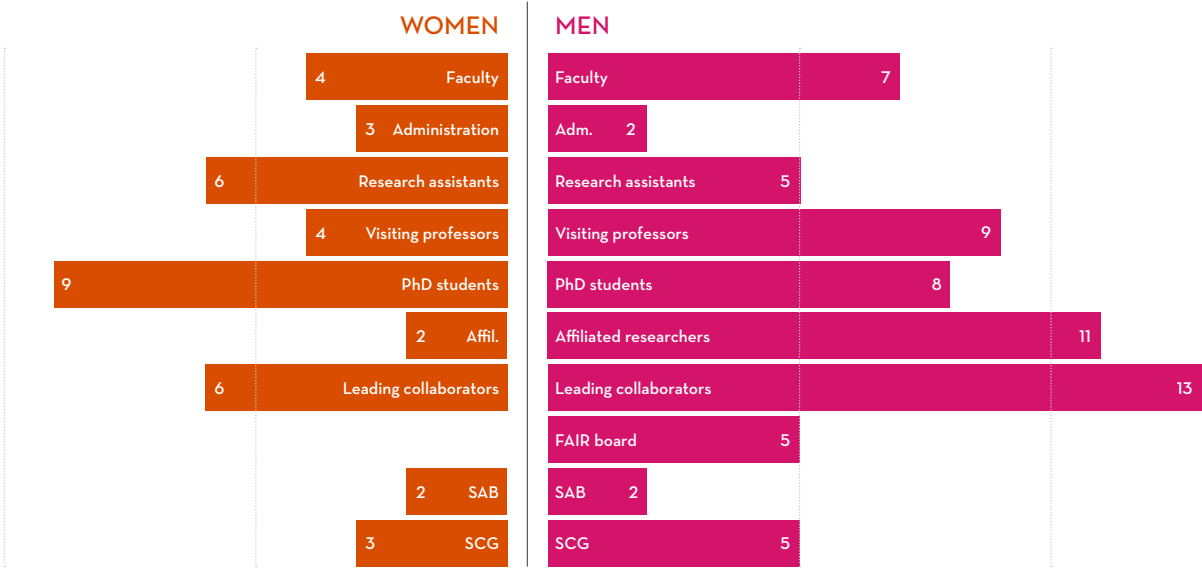
Sandra E. Black
(University of Texas at Austin)



Lise Vesterlund
(University of Pittsburgh)

GENDER DISTRIBUTION

At FAIR we value gender equality and aim for gender balance on all levels among our faculty and staff. The graph documents that this is still work in progress and that further effort is needed to ensure a better gender balance at FAIR.



FAIR INSIGHT TEAM



Marianne Bertrand (University of Chicago)



George Loewenstein (Carnegie Mellon University)

FAIR Insight Team connects FAIR with key stakeholders in society as well as the general public. In “Coffee with ...”, our video podcast series, we chat with our visitors over a cup of coffee.

In 2018 we had the pleasure of chatting with Peter Diamond (MIT) on pension design, Sandra Black (University of Texas at Austin) on her role as member of the council of economic experts under president Obama, Marianne Bertrand (University of Chicago) on cultural distances in the United States and George Loewenstein (Carnegie Mellon University) on nudges and behavioural economics in general.

Follow us to stay updated on new videos in 2019!

FAIR THROUGH SOCIAL MEDIA



TWITTER
... to find the best and most interesting articles in Labour and Behavioural Economics
[@fair_cele](#) [@thechoicelab](#)



FACEBOOK
... to know everything that is going on at FAIR
[www.facebook.com/fairnhh](#)



WEBSITE
... to see all our publications, projects, collaborators and events
[https://fair.nhh.no](#)



NEWSLETTER
... to know why you should come to Bergen for events
[https://fair.nhh.no](#)



INSTAGRAM
... research in a beautiful setting
[@fairnhh](#)



YOUTUBE
... meet the best and brightest who visit us at FAIR
[www.youtube.com/user/NHHno](#)



FAIR IN 2018

Bertil Tungodden, Janina Juranek, Alexander W. Cappelen, Kjell G. Salvanes, Ingvild Almås, Kjetil Bjorvatn, Sandra E. Black, Katrine V. Løken, Erik Ø. Sørensen

Ragnhild Balsvik, Patrick Bennett, Aline Bütikofer, Mathias Ekström, Fanny Landaud, Thomas de Haan, Henning Hermes, Sissel Jensen, Tom Meling, Vincent Somville, Alexander Willén

Christian Braathen, Inge Bø, Adriana Condarco-Quesada, Maria Guldvik, Arn-Tore Haugsdal, Frid Helen Hop, Leah Junge, Ingeborg Korme, Ingvald Mjølunes, Vilde Pedersen, Haakon Rykkje, Ingrid Mikkelsen Semb, Michael Stornes, Anna Zheleznaya, Benjamin Øien

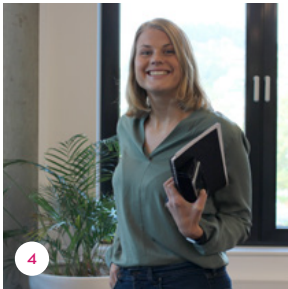
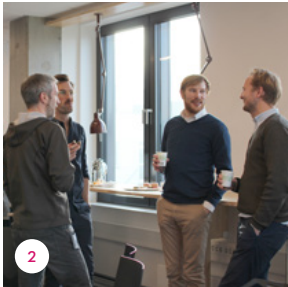
Sara Abrahamsson, Ceren Ay, Eirik Berger, Ranveig Falch, Ingar Haaland, Sandra Halvorsen, Kjetil Røiseland Madland, Stefan Meißner, Pablo Soto Mota, Arne Nasgowitz, Charlotte Ringdal, Erling Risa, Ingvald Skarpeid, Oda Sund, Serhat Ugurlu, Mirjam Wentzel, Xiaogeng Xu

Joel Berge, Lars Ivar Berge, Bet Caeyers, Antonio Dalla-Zuanna, Sebastian Fest, Julian Johnsen, Andre Lot, Shrey Nishchal, Andreas Olden, Armando Pires, Øivind Schøyen, Ingrid Hoem Sjursen, Hallgeir Sjøstad

Group photo 21.03.2019. Photo: Helge Skodvin.

LIFE AT FAIR

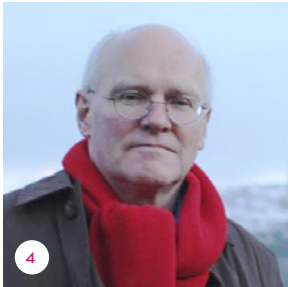
We are making Bergen into a hub in Europe for excellent research on inequality, and we do that by welcoming researchers to Bergen from all over to world to work with us here. We hope to see you in Bergen in 2019!



1. FAIR research assistants at Forskningstorget in Bergen: “What do you think is fair?” 2. Henning Hermes, Justin Valasek, Thomas de Haan and Mathias Ekström sharing a coffee in the FAIR offices 3. Centre Coordinator Ingeborg Korme as julenissen 4. PhD student Sandra Halvorsen at the Women Mentor Lunch with Lise Vesterlund 5. Professor Alexander W. Cappelen with FAIR seminar speaker Catherine Eckel (Texas A&M University)

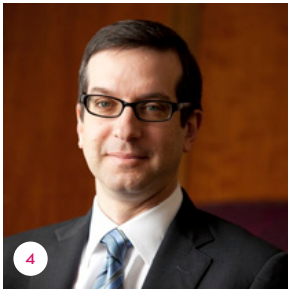
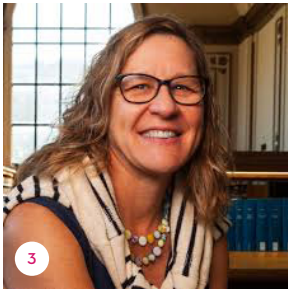
FAIR BOARD

1. Øystein Thøgersen (Norwegian School of Economics) 2. Eirik Gard Kristiansen (Norwegian School of Economics) 3. Ole Frithjof Norheim (University of Bergen) 4. Trond Petersen (University of California, Berkeley) 5. Erik Ø. Sørensen (Norwegian School of Economics)



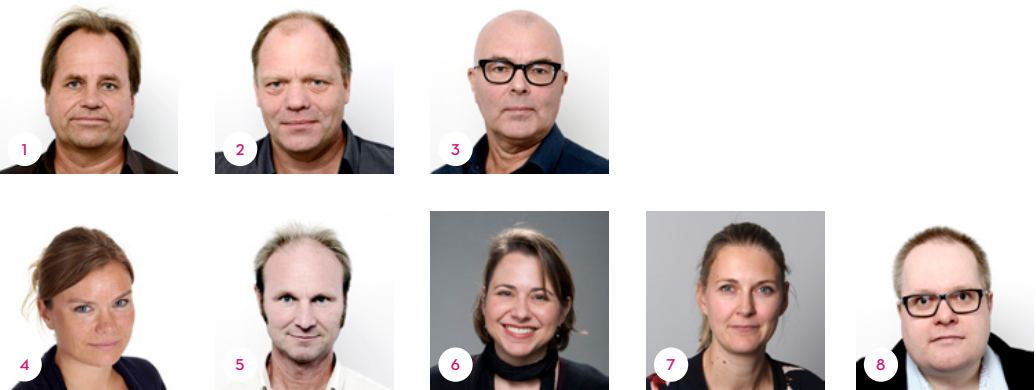
SCIENTIFIC ADVISORY BOARD

1. Richard Blundell (University College London) 2. Eliana Ferrara (Bocconi University) 3. Hilary Hoynes (University of California, Berkeley) 4. David Laibson (Harvard University)



SCIENTIFIC COORDINATION GROUP

1. Bertil Tungodden (Centre Director) 2. Alexander Cappelen (Deputy Director) 3. Kjell G. Salvanes (Deputy Director)
4. Ingvild Almås 5. Kjetil Bjorvatn 6. Sandra E. Black 7. Katrine Vellesen Løken 8. Erik Ø. Sørensen



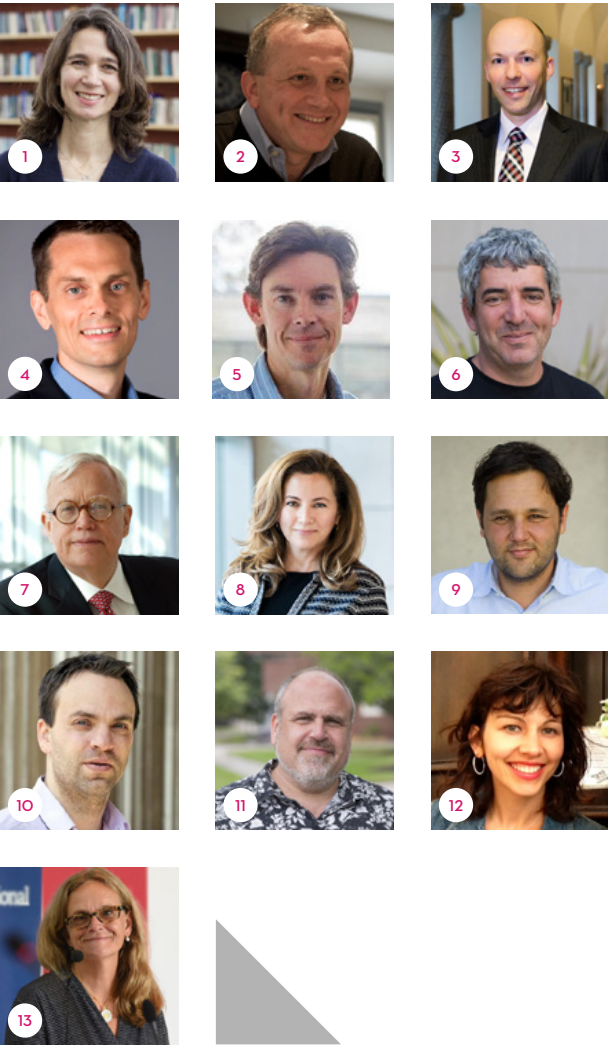
FAIR ADMIN TEAM

1. Janina Juranek (Head of Administration) 2. Inge Bø (Acting Financial Officer)
3. Arn-Tore Haugsdal (Data Scientist) 4. Ingeborg Korme (Centre Coordinator)
5. Anna Zheleznaya (Financial Officer)

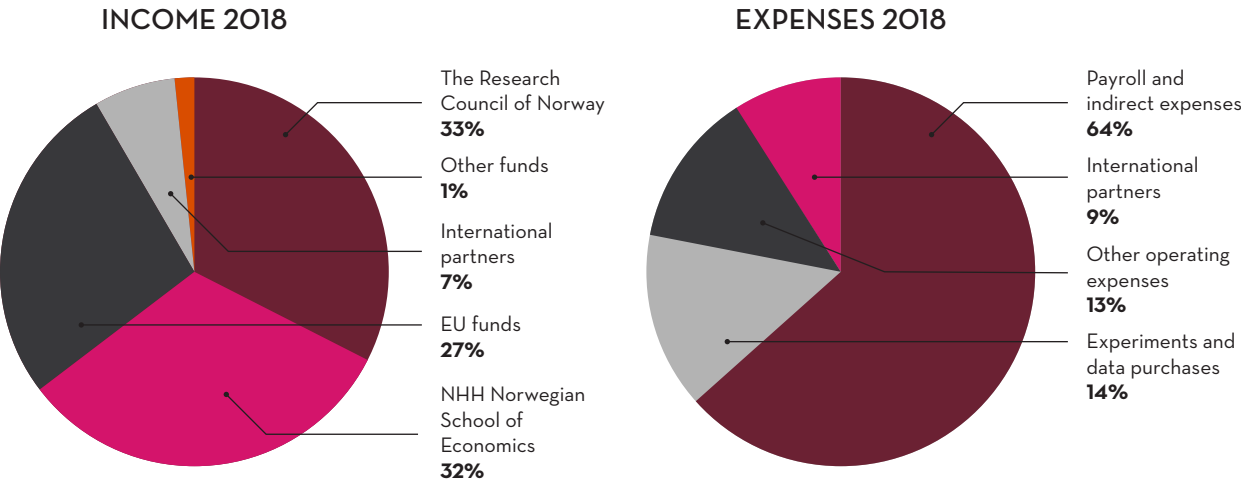


VISITING PROFESSORS

1. Anna Aizer (Brown University)
2. Orazio Attanasio (University College London)
3. Björn Bartling (University of Zurich)
4. Gordon Dahl (University of California, San Diego)
5. Paul Devereux (University College Dublin)
6. Uri Gneezy (University of California, San Diego)
7. James Heckman (University of Chicago)
8. Ariel Kalil (University of Chicago)
9. Shachar Kariv (University of California, Berkeley)
10. Magne Mogstad (University of Chicago)
11. Matthew Rabin (Harvard University)
12. Anya Samek (University of Southern California)
13. Lise Vesterlund (University of Pittsburgh)



STATEMENT OF ACCOUNTS



Income	MNOK
The Research Council of Norway	17,5
NHH Norwegian School of Economics	17,3
EU funds	14,6
International partners	3,6
Other funds	0,8
Income, total	53,9

Expenses	MNOK
Payroll and indirect expenses	26,0
Experiments and data purchases	5,9
Other operating expenses	5,4
International partners	3,6
Expenses, total	41,0
Reallocated research costs to next year*	12,9

*Deviation is due to two ERC projects where the prepayment was given for a longer period of time and where one of the projects started 1 October 2018.

2019 – MOVING FORWARD

We are eager to launch and develop many research projects in 2019.

The data from the 60 countrywide experimental study “Fairness across the world” will arrive in 2019 and be informative for our long-term research on fairness and inequality. We also expect to take important steps in our research on childhood inequality in Norway, and we will implement an extensive follow-up survey of the childcare project in Uganda, to mention some of our research activities.

FAIR and FAIR Insight Team will organize a number of workshops, PhD courses and dissemination activities, including the HCEO Summer School on socioeconomic inequality with University of Chicago and the Spring School in Behavioural Economics with University of California, San Diego.

We look forward to interacting with many of you and to another year of exciting research!



Bertil looking into the future

PARTNERS



“Trust is a more important resource than oil.”

Professor Alexander W. Cappelen

NHH



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The Research Council of Norway