

Buy DN

Bertil Tungodden and Alexander W. Cappelen

Alexander W. Cappelen and Bertil Tungodden, both professors at the Norwegian School of Economics and Business - The Choice Lab

Posts

Posts: Solidarity and predictability need in times of crisis

New guarantees are needed if we as a community are to bear the financial costs of the pandemic. So far, companies and workers in the private sector have been hit financially, but not public sector employees.

Published: 17.03.20 - 12.59 updated: 3 hours ago



As a society, we impose restrictions in the fight against the pandemic that benefits everyone, but which make normal operations impossible for many companies and businesses, writes Alexander W. Cappelen and Bertil Tungodden. (Photo: Gunnar Lier)

[reading List](#)[Share](#)

Norway is facing an economic state of emergency that we have not seen in modern times. The socio-economic costs of pausing the Norwegian economy for months can quickly be hundreds of billions.

The authorities have presented a crisis package of NOK 100 billion - an obvious step in the right direction - but efficient and fair handling of the crisis requires more money and basic principles.

The basic principle must be that these costs are shared jointly between everyone in society.

In our research, we have shown that Norwegians to a great extent, and regardless of party affiliation, see it as unfair if someone should bear more of the costs than others when these costs are due to factors beyond individual control.

We therefore believe that there is a basic consensus that we as a community must bear the financial costs that this pandemic incurs.

The article continues under the ad

Also read

Several chains struggle to survive: - It is important not to panic

DN+

Financial measures must therefore ensure that this happens. So far, the costs have mainly been inflicted on private sector players, while public sector employees have not been financially affected.

This is especially unfair when we consider that we as a society impose restrictions in the fight against the pandemic that benefits everyone, but which makes normal operations impossible for many companies and businesses.

The basic principle is simple - we must design policies that compensate for the loss of income for the individual, where the burden of this is covered by the community.



Alexander Cappelen

We propose that the authorities declare that they are in financial condition as long as there is a need to limit economic activity to prevent the spread of the virus, and guarantee that they will aim to compensate everyone for the losses they have during the exception period as a result of the restrictions. the authorities have introduced.



Bertil Tungodden (Photo: Hallvard Lyssand)

Read also

Permitted seasonal workers receive zero kroner: - The most vulnerable employees are not caught

This applies to the losses both to individuals and companies. At the same time, the government guarantees that both individuals and businesses do not go over as long as they are in a state of emergency, in line with the plans presented for how to help those who are laid off and business.

These guarantees will create predictability and be perceived as fair. They will clearly define how long the authorities will compensate the business community and individuals, and they will jointly share the costs that we incur in the fight against the coronavirus.

The guarantees will of course cost, perhaps hundreds of billions of NOK, but we manage to finance that. If there is ever a government deficit, it is in a situation like this.

The pandemic has already led to a number of social measures to combat the spread of the corona virus that we could not imagine a short time ago, where airports have been closed, travel bans have been introduced and business activity is limited. In order to deal with the financial consequences of these measures, further radical measures are needed.

Let's agree to share the costs in solidarity - and let's design predictable guarantees that the government will take care of both individuals and business as long as this state of emergency persists. ([Terms](#))

Coronavirus

Pandemic

Economics

Psychology

Politics

Post

[Get notified](#)

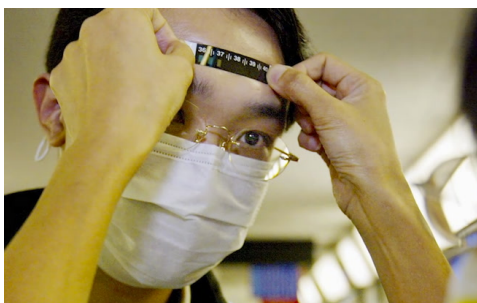

Pandox chief Anders Nissen refuses to negotiate with Petter Stordalen on cuts: - They have to deal with their own problems



The tablets are used against corona in Japan -



Help us identify the consequences of the



Hong Kong has done this right



Telenor still promises a dividend of NOK 12.4 billion



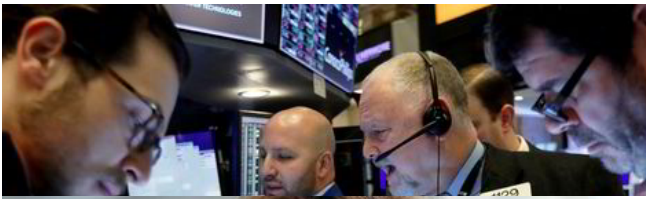
16 billion away for Ringnes & Co. in Sweden



Aker chief calls for state emergency aid - at the same time distributes NOK 1.7 billion in dividends



Salmar holds back the dividend for 2019 - pointing to the uncertainty due to



Estimates that 8,000 Norwegians can die

Chef's canned favorites



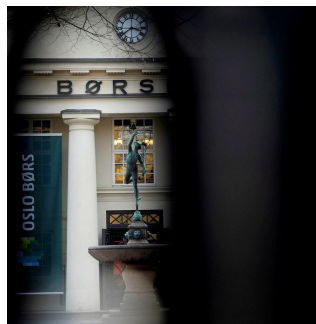
- This is not a status symbol. It is fun



- Today's women have to



Equinor turns everything around and considers both



Wrap the moon, dismantle the sun, pour out the seas and pack the trees - and close down the stock exchanges



SV deputy head of Norwegian acquisition: - No interest in buying a company with huge debt



**Smittetforskere
tror
restriksjoner**

**Ny kraftig smell på Wall
Street: – Jeg kjente at jeg frøs**



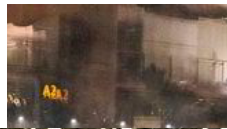
**Investeringsdirektørens
unike tall indikerer fall i**



**Ekspertene er
rykende uenig om
hvordan**



Han ryddet opp etter finanskrisen: - Det kan bli styggere for Norge enn de krisene vi har sett de siste 30-40 årene



De valgte hytte fremfor hus



Kjøpte elbil for å snøke rundt blant Sandefjords rikeste



DN mener: Nedturen vil kanskje vise hva som er innholdet i luftige programmerklæringer om samfunnsansvar



Hun skal lede Huawei's nye globale avdeling - fra Fornebu



Stop at Sjusjøen



The world's worst pandemic



Vaccine researcher: - The peak of the virus outbreak is nowhere near being reached

Resp. editor and CEO:
Amund Djuve

[Contact](#)[Suggestions for improvement?](#)[tip us](#)

Today's Business works according to the **Weather Varsom poster's** rules for good press practice.

[Customer service](#)[My side](#)[advertisement](#)[Archives](#)[Privacy](#)[cookies](#)[Terms](#)[Jobs in DN](#)[RSS](#)[To the front](#)