

CEBI

HIGHLIGHTS 2020

CENTER FOR
ECONOMIC
BEHAVIOR &
INEQUALITY

Publications in top academic journals

33 new articles by CEBI members at UCPH were published or accepted for publication in 2020. This includes articles in top general purpose journals (e.g., Review of Economic Studies), top field journals (e.g., American Economic Journal: Applied Economics), top journals in other disciplines (e.g., JAMA Internal Medicine), and top general science journals (e.g., PNAS). The research contributes with new methods to study behavioral heterogeneity of people and new evidence on behavioral responses. Martin Browning and coauthors provide a new method to measure the prevalence of time-inconsistent behavior of people. Articles by Torben Heien Nielsen, Jeppe Druedahl and Thomas H. Jørgensen show how labor supply behavior and savings behavior react to different types of unanticipated shocks, e.g., to people's health. Junior researcher Amalie Jensen and external member Henrik Kleven use Danish data to provide evidence on the importance of economic incentives for immigration decisions.

Adjusting to new times under the Covid-19 pandemic

Like many other research environments, CEBI was challenged by the Covid-19 pandemic. Junior researchers Adam Sheridan, Ida Lykke Kristiansen, and Emil Toft Hansen interrupted their research visits at Princeton, NYU, and London School of Economics. Many events were postponed including a conference on Public Economics organized by Claus Kreiner, a workshop and PhD course on formation of subjective beliefs organized by Johannes Wohlfart, the Zeuthen Lectures with external member Henrik Kleven from Princeton, and the CEBI retreat. However, CEBI quickly adjusted to the new situation and moved activities online starting with the online PhD defense of Katrine Tofthøj Jakobsen on March 26. This likely helped to keep up the spirit, as witnessed by CEBI postdoc Pol Campos-Mercade's enthusiastic exclamation in an email: "This covid... I've never worked that much in my life! :)"

Covid-19 research by CEBI

Many aspects of Covid-policies relate directly to economic behavior and fit naturally into the CEBI research program. An important policy trade-off is between combating the spread of the virus and the loss of economic activity when determining social distancing laws. Using real-time transaction data of customers in Danske Bank, including Swedish customers, Adam Sheridan, Asger Lau Andersen, Emil Toft Hansen, and Niels Johannesen show, in a PNAS article, that the drop in spending of Danish households facing a strict lockdown policy was almost the same as the spending drop of a counterfactual group of Swedish households facing a much more lax lockdown policy. Pol Campos-Mercade and coauthors (forthcoming in Journal of Public Economics) use experiments to elicit prosociality and show that the most prosocial individuals comply more with physical distancing guidelines, staying home when sick, and buying face masks. Sarah Zaccagni studies, experimentally, whether reminders to promote social distancing achieve the desired effects. Sonja Settele studies factors driving public acceptance of government interventions.

Research presentations at top places

CEBI members gave 93 presentations in 2020. This includes presentations at the NBER Summer Institute by Niels Johannesen and Torben Heien Nielsen, at the ESA World Meeting by Christina Gravert, and at a seminar at the University of Chicago by Søren Leth-Petersen.

Input to policy making by CEBI members

Claus Kreiner and Søren Leth-Petersen were contacted by the Ministry of Finance and provided input to the design of Danish stimulus policy under the Covid-19 economic crisis based on their CEBI study of consumption behavior in response to stimulus policy under the financial crisis. Niels Johannesen presented his results on tax evasion behavior in the Dutch parliament. Amalie Jensen presented her results on immigration behavior for Ydelseskommisionen, where Mette Ejrnæs is a member.

CEBI research and CEBI members in the media

CEBI research was featured in the international press, including the Financial Times, the New York Times, Die Welt, the Economist, and Le Monde, and in Danish newspapers such as Berlingske, Jyllandsposten, Weekendavisen, and Ekstra Bladet. Christina Gravert was interviewed in the BBC World News about behavior during the pandemic and the use of facemasks. Asger Andersen, Mette Gørtz, Niels Johannesen, Claus Kreiner, and Søren Leth-Petersen were interviewed about various Covid-19 related economic issues in the main television news at DR1 and TV2 and in the TV-program Deadline at DR2. Jeppe Druedahl described, on the front page of Information on March 20, the key economic challenges lying ahead of us due to the pandemic.

Education and success of PhD students

Deputy Director Søren Leth-Petersen now meets weekly with all CEBI PhD students. CEBI organized a PhD course on Gender Inequality with professors Johanna Rickne and Olle Folke. CEBI guest Alexandre Kohlhas from the IIES in Stockholm talked about his experiences from both sides of the academic job market. Three PhD students went on the job market and all got positions. This includes a three-year postdoc position at the Institute for Fiscal Studies (IFS) in London for Esteban Garcia Miralles.

CEBI members in research networks and editorial boards

CEBI members are included in the networks of top academic economists. This year Jakob Søgaaard was invited into the CESifo network and Miriam Wüst was invited into the IZA network. She and Meltem Daysal are also associate editors of the Journal of Health Economics. Claus Kreiner has been coeditor of the Journal of Public Economics for six years.

Recognitions to CEBI members

Jakob Søgaaard and external member Henrik Kleven received the best paper award of the American Economic Journal: Applied Economics for their study on gender inequality. Jeppe Druedahl was awarded best teacher in Economics at UCPH. Christina Gravert was on Forbes' list of Top 10 Behavioral Scientists. Claus Kreiner is the 2020 Richard Musgrave laureate. In his Musgrave lecture with the title Behavioral Heterogeneity, Inequality and Public Policy he talked about the research endeavors of CEBI.

Center for Economic Behavior and Inequality (CEBI) is a center-of-excellence at the University of Copenhagen, founded in 2017, financed by a grant from the Danish National Research Foundation. The goal of CEBI is to understand the role of behavior and attitudes of people for the formation of inequality in society in income, wealth and many other outcomes. More information may be found at www.econ.ku.dk/cebi.

