

**THE PHILLIPE MONASTER CENTER
FOR ECONOMIC RESEARCH**

**ACTIVITY REPORT
2023/24**

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I. MEMBERS OF THE MONASTER CENTER FOR ECONOMIC RESEARCH**DIRECTOR:** Dr. Suleiman Abu-Bader**MEMBERS**

Dr. Suleiman Abu-Bader
Prof. Aamer Abu-Qarn, Chairman, Department of Economics
Prof. Arie Arnon
Prof. Ofer Azar, Department of Business Administration
Dr. Dan Ben-Moshe
Prof. Nadav Ben-Zeev
Prof. Tomer Blumkin
Dr. Chen Cohen, Department of Public Policy and Administration
Prof. Danny Cohen-Zada
Dr. Ran Eilat
Prof. Ezra Einy
Prof. Koresh Galil
Dr. Naomi Gershoni
Dr. Ada González-Torres
Prof. Mark Gradstein,
Prof. Ori Haimanko
Prof. Moshe Justman
Dr. Assaf Kott
Dr. David Lagziel
Dr. Shirlee Lichtman-Sadot
Prof. Aner Sela
Dr. Maya Shaton
Dr. Ity Shurtz
Dr. Karine van der Beek
Prof. Oscar Volij
Prof. David Wettstein
Prof. Ro'i Zultan

II. OPENING REMARKS

The Center provides a stimulating environment to conduct high quality economic research. Members are actively engaged in presenting their research output in local and international conferences and seminars thus contributing enormously to our rising visibility within the academic community. The Center and the department continue to welcome and host Israeli and international top economists who present their latest cutting-edge economic research in our weekly seminar. These visits allow members to interact and mingle with top researchers and expand their networks.

During the year, Center members maintained our impressive record in scientific publications with many articles accepted or appearing in reputable international journals. As always, the Center supported its members by paying journal submission fees. Several Center members received prestigious competitive grants, such as the ISF and the BSF, contributing to our rising reputation in the discipline. In addition, our working paper series distributed under the auspices of the Center continued to serve as an early outlet for the members to disseminate their works before peer review. All working papers are available online through the Center's website and the RePEc repository website (<http://repec.org/>).

This year we are welcoming Dr Yevgeny Tsodikovich as a new promising recruitment. Dr Tsodikovich, who holds a Ph.D. in Mathematics from Tel-Aviv University, is a game theorist interested in opinion dynamics and learning, in particular opinion propagation in networks and Bayesian learning.

Prof. David Wettstein, a dominant and very active member of the Center and department, retired in September 2024. Luckily, David continues to play his pivotal role in the department, and we hope to benefit from his insights, advice, and endless giving for many years to come.

Lastly, we extend our utmost appreciation to Ms. Ella Ginzburg for her priceless role in providing a supportive and vibrant environment in the Center and in the department.

Dr. Suleiman Abu-Bader, Director
Monaster Center for Economic Research

III. ACTIVITIES IN DETAIL

Seminar Lectures Presented by Department Members and Guests from Israel and Abroad (these include those that are presented as part of the regular Thursday seminar program and special seminars)

7/18/2024, Itamar Caspi, BOI, The Mortgage Cash-Flow Channel: How Rising Interest Rates Impact Household Consumption.

7/11/2024, Ran Wexler, Haifa, Discrimination and Investment in Human Capital

7/4/2024, Greg Clark, UC Davis, Copenhagen Assortative Mating and the Industrial Revolution: England, 1754-2021.

6/20/2024, Eve Colson-Sihra, HUJI, How Sticky are Consumption Stereotypes? Evidence from the Meat Gender Gap.

6/13/2024, Assaf Room, HUJI, The Large Core of College Admission Markets: Theory and Evidence.

6/6/2024, Oscar Volij, BGU, Teamwork frictions in a Ricardian model

5/30/2024, Avner Seror, Aix Marseille School of Economics, Semi-Parametric Approach to Behavioral Biases.

5/23/2024, Asher Wolinsky, Northwestern, Auctions with Frictions: Recruitment, Entry and Limited Commitment.

5/16/2024, Tzachi Raz, HUJI, Markets Make Humans WEIRDER: Evidence from 1850-1920 United States.

5/9/2024, David Genesove, HUJI, Haggle or Hammer? Dual-Mechanism Housing Search

3/14/2024, Naomi Gershoni, BGU, Narrowing Distances between Workers from Disadvantaged Areas and Jobs.

3/7/2024, Ayala Arad, TAU, Is Doing Nothing an Option? An Action Bias in the Consideration Set Formation.

2/22/2024, Etienne Wasmer, NYU Abu Dhabi, Housing Prices Propagation: A Theory of Spatial Interactions.

2/15/2024, Naomi Friedman-Sokuler, Bar-Ilan University, Nudging Teams toward Cost-Effective Health Care: Evidence from a Field Experiment in Surgery.

2/8/2024, David Lagziel, BGU, The Indoctrination Game.

2/1/2024, Alon Eizenberg, HUJI, An Empirical Analysis of Merger Efficiencies.

1/18/2024, Michel Strawczynski, HUJI, Optimal Income Taxation in a Dual Economy.

1/11/2024, Bernard Black, Northwestern University, The Impact of Health Insurance on Healthcare Utilization and Health: Evidence from Medicaid Expansion in Wisconsin.

Research Contracts, Grants, Fellowships, and Awards

Abu-Bader, Suleiman was awarded a grant from the National Institute of Social Insurance in the amount of 600,000 NIS for the project “Socio-economic Survey of the Arab Bedouin Households in Southern Israel,” for 2019-2023. The survey data are available for use in different social and economic research.

Abu-Qarn, Aamer (together with Shirlee Lichman-Sadot) is the recipient of the National Insurance Institute Research Grant (138,830 NIS) and a grant from the Maurice Falk Institute for Economic Research in Israel (40,000 NIS), both of which focus on the impact of public transportation on work and educational outcomes.

Blumkin, Tomer continues to serve as the chair of the university library committee. Prof. Blumkin is a Research Fellow at the Center for Economic Studies (CESifo) in Munich, Germany as well as the Institute for the Study of Labor (IZA) in Bonn, Germany. Tomer collaborates with Leif Danziger, Ro'i Zultan, and David Lagziel from Ben-Gurion University; Efraim Sadka, Eran Yashiv, and Yoram Margalioth from Tel-Aviv University; Michel Strawczynski from the Hebrew University; Luca Micheletto from Bocconi University; Spencer Bastani from Uppsala University; Kaisa Kotakorpi and Tuomas Kosonen from the VATT Institute in Helsinki, Finland, and Amihai Glazer from UC Irvine.

Tomer has been invited by UC Berkeley to visit the department of economics during the summer and teach an advanced elective for undergrad students in public economics during the summer session.

Cohen-Zada, Danny was awarded an Israel Science Foundation grant for the years 2024-2025 of 260,000 NIS for a proposal entitled “Why does starting school older harm schooling: First Evidence on the role of youth employment laws.”

Eilat, Ran was awarded and Israeli Science Foundation (ISF) and the Bi-national Science Foundation (BSF) (2023).

Gershoni, Naomi holds the following active grants:

Maurice Falk Institute for Economic Research in Israel for a proposal entitled “The Short- and Long-Term Impacts of Unconditional Non-Work Income Transfers,” 2021-2023, 25,000NIS (with Yannay Shanan).

United States - Israel Binational Science Foundation (BSF), “The Short- and Long-Term Impacts of Unconditional Non-Work Income Transfers,” \$270,000, grant no. 2020162 (with Rania Gihleb, Hani Mansour, and Yannay Shanan).

Ifergane, Tomer was awarded the Israel Science Foundation grant no. No. 922/23 510,000 ILS, "Macroeconomic stability and employment protection mandates: an optimal design approach" 2024 - 2026

Israel Science Foundation, grant no. No. 2713/23 47,700 ILS, New researcher equipment grant - HPC for computational macro-2024.

Kott, Assaf was awarded the Policy Impacts Early-Career Scholars Grant (\$20,000)

Lagziel, David was awarded an ISF grant #2074/23 in the amount of 100,000 ILS for 4 years for a proposal entitled “The indoctrination game”. The grant ends in October 2027.

Lichtman-Sadot, Shirlee was awarded the Israel Science Foundation - "The Social Safety Net and Mortality: Evidence from the Introduction of Welfare Payment Time Limits" - 2024-2027 - 120,000 NIS annually

The Maurice Falk Institute for Research in Israel, “The Effect of a Shorter Working Day Benefit for Fathers on the Child Penalty: Evidence from an Innovative Policy in Israel,” 40,000 NIS, 2024-2027 – joint with Victory Lavy (Hebrew University of Jerusalem)

Sela, Aner has been a Research Fellow of the CEPR since 2023.

Shaton, Maya received an Israel Science Foundation Grant of 750,000 NIS over three years, and she was a Visiting Scholar at NYU Stern Fall Semester 2023

Shurtz, Ity received an Israel Science Foundation grant for the years 2021-2024 of 397,500 NIS entitled “Realization of Low Probability Clinical Risks and Physician Behavior: Evidence from Primary Care Physicians.”

The Israel National Institute for Health Policy Research grant for the years 2023-2024, entitled “Admission allocation across hospital departments and ED congestion” in the amount of 91,000 NIS

Zultan, Ro'i holds or was awarded the following grants:

Binational Science Foundation, “Judging Responsibility Under Uncertainty”, \$51,300 p.a., \$102,600 in total. **Ro'i Zultan** (PI) and Tobias Gerstenberg (PI).

Israel Science Foundation, “Managerial Decisions and the Efficient Market Hypothesis”, ~\$72,000 p.a., ~\$220,000 in total. **Ro'i Zultan** (PI) and Todd Kaplan (PI).

Israel Science Foundation workshop support program., ~\$19,000. **Ro'i Zultan** (PI) and Todd Kaplan (PI).

van der Beek, Karine received an Israel Science Foundation grant (no. 374/21) for the years 2021-2024 in the amount of 387,000 NIS entitled “The Collateral Channel of Britain’s Industrial Revolution: The Financial Side of Land Enclosures.”

Committees, Society Fellowships, Appointments, and Research Collaborations

Abu-Bader, Suleiman collaborates with Aamer Abu-Qarn from Ben-Gurion University. Dr. Abu-Bader serves as the director of the Monster Centre for Economic Research at the Department of Economics at Ben-Gurion University of the Negev. He continues to serve as a member of the Humanities and Social Sciences faculty library committee. He also has been serving as a member of the editor's committee of Social Insurance Journal since 2018.

2024 -, A member of the Committee for the Eradication of Racism, Discrimination, and Exclusion on Racial Grounds.

Abu-Qarn, Aamer collaborates with Suleiman Abu-Bader from Ben-Gurion University; Muhammad Asali from College of Management Academic Studies; Michael Beenstock from the Hebrew University; Christos Kollias from the University of Thessaly, Greece; and Luigi Ventura from Sapienza Università di Roma.

Arnon, Arie has been coordinating The Guggenheim Program in the History of Economic Thought at BGU. The program arranged every two or three years since 2007 a conference - better think about it as a workshop – with around twenty participants. Every conference was organized around a subject of interest to the researchers in the HET with an eye to the interests of non-HET researchers. In each conference the academic committee heading the program also selected the recipient of the Guggenheim Prize in the HET for that year. The recipients presented the Prize lecture, in the conferences, and the lectures are included in the published volumes. The sixth conference was organized in Rome together with the Italian Accademia Nazionale Dei Lincei on “Money in times of crisis: Pre-classical, Classical and Contemporary theories” on 12-13 December 2022. The organizers and Scientific Committee: Arie Arnon (Ben-Gurion University of the Negev, Israel), Maria Cristina Marcuzzo (Lincea, Italy), Alessandro Roncaglia (Linceo, Italy), Annalisa Rosselli (Lincea, Italy), Roberto Scazzieri, Professor of Economic Analysis, University of Bologna. A book is forthcoming.

The recipient of the Thomas Guggenheim prize for 2022 was Professor Emma Rothschild, Harvard University.

Azar, Ofer continued to serve as Associate Editor of the Journal of Economic Psychology and Director of the MBA Program for Executives. He was elected to serve as the Chairperson of the Department of Business Administration. He was also elected to serve as the President of the International Association for Research in Economic Psychology (IAREP). Prof. Azar's recent research collaborations include Liora Daum-Avital, Yaron Lahav, Alisa Voslinsky and Michael Bar-Eli from Ben-Gurion University; Simcha Avugos from the Wingate Institute; and Eran Sher from the Technion.

Ben-Moshe, Dan collaborates with David Genesove (The Hebrew University of Jerusalem).

Ben Zeev, Nadav serves on the budget committee and the Current Research Information System (CRIS) committee. He also serves as associate editor for Macroeconomic Dynamics.

Blumkin, Tomer continues to serve as the chair of the university library committee. Prof. Blumkin is a Research Fellow at the Center for Economic Studies (CESifo) in Munich, Germany as well as the Institute for the Study of Labor (IZA) in Bonn, Germany. Tomer

collaborates with Leif Danziger, Ro'i Zultan, Naomi Gershoni and David Lagziel from Ben-Gurion University; Efraim Sadka, Eran Yashiv, and Yoram Margalioth from Tel-Aviv University; Michel Strawczynski from the Hebrew University; Luca Micheletto from Bocconi University; Spencer Bastani from Uppsala University; Kaisa Kotakorpi and Tuomas Kosonen from the VATT Institute in Helsinki, Finland, and Amihai Glazer from UC Irvine.

Cohen-Zada, Danny, is a member of the committee overseeing establishing a research room at Ben-Gurion University. Since September 2010, he has also been a research fellow at the Institute for the Study of Labor (IZA) in Bonn, Germany. He collaborates with Todd Elder from Michigan State University, Naomi Gershoni from Ben-Gurion University, and Oren Rigbi from Hebrew University.

Eilat, Ran collaborates with Kfir Eliaz (Tel-Aviv University); Ady Pauzner (Tel-Aviv University); Xiaosheng Mu (Yale University); Marina Agranov (Caltech); Konstantin Sonin (University of Chicago); Alexander Frug (UPF, Barcelona); Zvika Neeman (Tel-Aviv University); Eilon Solan (Tel-Aviv University).

Einy, Ezra is a fellow of the Society for the Advancement of Economic Theory.

Galil, Koresh collaborates with Zvika Afik (Ben-Gurion University), Mosi Rosenboim (Ben-Gurion University); Lior David-Pur (Ben-Gurion University); Thomas Lindner (Vienna University of Economics and Business); Offer Shapir (NYU-Shanghai); Rodrigo Zeidan (NYU-Shanghai), Oliver Martin (NYU-Shanghai), Wolf Wagner (Rotterdam School of Management and CEPR), Rosit Rosenboim (Sapir College), Ami Hauptman (Sapir College).

Gershoni, Naomi collaborates with Corinne Low, the Wharton School, University of Pennsylvania; Analia Schlosser, Tel-Aviv University; Itay Saporta, Tel-Aviv University; Miri Stryjan, Aalto University; Danny Cohen-Zada, Ben-Gurion University; Yannay Shanan, Bar-Ilan University; Hani Mansour, University of Colorado Denver; Rania Gihleb, University of Pittsburgh; Ity Shurtz, Ben-Gurion University; Assaf Kott, Ben-Gurion University. Since 2021 she is an IZA research Affiliate. Since 2023 she is an Editorial Board member at The Economic Quarterly (in Hebrew).

González-Torres, Ada collaborates on several research projects with Laura Boudreau (Columbia Business School, Columbia University, New York City, USA); Sylvain Chassang (University of Princeton, New Jersey, USA, and NBER); Elena Esposito (HEC - Université de Lausanne, Switzerland); Rachel Heath (University of Washington, USA); and Madina Kurmangaliyeva (Tilburg University, Netherlands). She has reviewed papers for the European Journal, the European Review of Economics, the European Journal of Political Economy, the European Association of Young Economists (EAYE). She is a Catalyst at the Berkeley Initiative for Transparency in the Social Sciences (BITSS) and gives workshops in Research Transparency in this framework. She taught several workshops at the European University Institute in Florence, Italy, together with Prof. Michèle Belot (EUI), Dr. Julia Schulte-Cloos (LMU Munich), and others.

Gradstein, Mark is a fellow at CEPR (London), CESifo (Munich), and IZA (University of Bonn).

Ifergane, Tomer is an associate at the London School of Economics and Political Science - Centre for Macroeconomics (CFM).

Justman, Moshe is a committee on education statistics, Central Bureau of Statistics Member, Advisory Group on evaluation and strategy, Jewish Agency for Israel Member, Advisory Committee on measuring disadvantages, Ministry of Education Member, Executive committee, Beer-Sova

Lagziel, David collaborates with various researchers, including Dr. Moran Koren, Prof. Tomer Blumkin, Prof. Aner Sela, Prof. Ori Haimanko, Dr. Chen Cohen, and Prof. Ezra Einy (all from Ben-Gurion University), as well as Prof. Ehud Lehrer and Prof. Yoram Margalioth from Tel-Aviv University, Dr. Ohad Raveh from the Hebrew University, and Dr. Nathan Goldstein from Bar Ilan University.

Lichtman-Sadot, Shirlee collaborates with Aamer Abu-Quarn - "Greater access to job and educational opportunities and marriage market outcomes"; with Ity Shurtz, Dan Zeltzer (TAU), and Omer Dagan - "Strategic Effort and Organizational Performance: Evidence from a Hospital Reform"; with Victor Lavy (HUJI) - "The Effects of a shorter workday for father on their labor market outcomes and their partner outcomes"; with Edith Sand (BOI) - "The Effect of a retirement age reform on couples' labor supply"; with David Slusky (University of Kansas) - "The Social Safety Net and Mortality: Evidence from the Introduction of Welfare Payment Time Limits"; with Osnat Lifshitz (Reichman) - "Welfare Reform and Couple Labor Market Dynamics"

Sela, Aner is a Co-editor for the Journal of Sports Economics Review.

ISHurtz, Ity collaborates with Shirlee Lichtman-Sadot from Ben-Gurion University, Dan Zeltzer (Tel Aviv University), and Omer Dagan on "Admission Allocation across Hospital Departments and ED Congestion".

Wettstein, David served as the Dean of the Faculty of Humanities and Social Sciences at Ben-Gurion University from September 2020 to August 2023.

He takes part in two joint research projects:

“Values for Environments with Externalities” with Inés Macho-Stadler and David Pérez-Castrillo (Universitat Autònoma de Barcelona), and “Strategic Approaches to Partition Function Form Games” with Yuan Ju (York University)

He also serves as associate editor for the Journal of Mechanism and Institution Design.

van der Beek, Karine is a Member of the Professional Committee for the Israel Science Foundation (ISF).

Research collaboration with Tomer Ifergane (TAU), Walker Ray (LSE), and Lior Farbman (BGU)

Volij, Oscar collaborates with Casilda Lasso (University of the Basque Country) and Federico Weischelbaum (Universidad Di Tella). He serves as associate editor for the Journal of Public Economic Theory.

Zultan, Ro'i serves on the following committees:

BGU Ethics Committee

BGU Substitute chair of the Academic Faculty Disciplinary Court.

Associate editor, Judgment and Decision Making

Elected member of the Economic Science Association

He currently collaborates with Shlomo Cohen, Yoella Bereby-Meyer, and Hilla Zmora (all from Ben-Gurion University); Ori Weisel and Yaniv Shani (Tel-Aviv University); Todd Kaplan and Moti Michaeli (Haifa University); Yuval Heller (Bar-Ilan University); Lawrence Choo (Southwestern University of Finance and Economics); Aniol Llorente-Saguer (Queen Mary, University of London); Santiago Oliveros (University of Bristol); Sebastian Goerg (Technical University Munich); Erin Krupka (University of Michigan); David Hugh-Jones (University of East Anglia); Zvika Neeman (Tel-Aviv University); Penelope Hernandez (University of Valencia); and Philipp K lpmann (Vienna University).

Ro'i Zultan serves as a member of the following professional/scientific societies

- 2010– Economic Science Association.
- 2010– Society for Judgment and Decision Making.
- 2010– American Economic Association.
- 2018– European Economic Association.
- 2010– Econometric Society.
- 2011– European Association for Decision Making.
- 2011– Royal Economic Society.

IV. Participation IN Conferences and seminars

Abu-Bader, Suleiman

EEA - Eastern Economic Association 50th Annual Conference, Boston, MA, March 2024. Paper Title: Explaining the Differences in Income Inequalities for Bedouins in Recognized and Unrecognized Villages in Southern Israel

Abu-Qarn, Aamer

EBES Conference, Arms Races, Alliances, and Free-Riding: Evidence from the Israeli Arab Conflict, Budapest, Hungary, October 2023.

Azar, Ofer

10th Behavioral Game Theory Workshop, UK (7/2024)

Network of the Behavioral and Experimental Economists based in the UK (BEE-UK) 1st annual conference, Leicester, UK (7/2024)

SABE-IAREP conference, Dundee, UK (8/2024)

McMaster University, Hamilton, Canada (9/2023)

Sapienza University of Rome, Italy (12/2023)

Ben-Moshe, Dan

2023: Hiroshima University, University of Tokyo, Kyoto University, University of Cape Town, University of Pretoria.

2024: Aarhus, Econometric Society European meetings.

Cohen-Zada, Danny

D. Cohen-Zada and I. Attar, "Why does starting school older harm schooling: First Evidence on the role of youth employment laws," 45TH EBES Conference, Budapest, Hungary, 2023.

D. Cohen-Zada and I. Attar, "Why does starting school older harm schooling: First Evidence on the role of youth employment laws," Department of Economics, Bar-Ilan University, 2024.

D. Cohen-Zada and I. Attar, "Why does starting school older harm schooling: First Evidence on the role of youth employment laws," Business School, Hebrew University, 2024.

Eilat, Ran

The European Summer Symposium in Economics, 2024, Theory (ESSET) at Gerzensee, Switzerland; European Meeting of the Econometric Society, Rotterdam, Netherlands.

Galil, Koresh

Chinese Finance Annual Meeting 2022 (online), Israel Economic Association 2022, Scottish Economic Association 2022 (online)

Gershoni, Naomi

SOLE 2024 Annual Meeting, Pittsburgh, USA

BSE Summer Forum, Barcelona, Spain

NBER SI 2024, Boston, USA

CESifo Area Conference on Labour Economics, Munich, Germany

Israeli Economic Association 2024 Annual Meeting, Israel.

Invited seminars: BEPP Seminar, The Wharton School, UPenn; Collier School of Management, TAU; Economics, BGU; Economics, Raichman University; Economics, HUJI.

Haimanko, Ori

EAGT2024: East Asia Game Theory Conference, Jeju, South Korea, August 2024.

Title: "Bayesian Nash Equilibrium in All-pay Auctions with Interdependent Types."

Ifergane, Tomer

American Economic Association conference - Time to Say Goodbye: The Macroeconomic Implications of Termination Notice.

Hebrew University (Economics), seminar - The Racial Wealth Gap: the Role of Entrepreneurship, (joint with Daniel Albuquerque, Bank of England)

Tel Aviv University (Economics), seminar - Efficiency and Macroeconomic Stability in Granular Economies

Haifa University (Sociology), seminar - The Racial Wealth Gap: the Role of Entrepreneurship, (joint with Daniel Albuquerque, Bank of England)

Kent-BoE-Bristol Workshop on Firm Dynamics conference - Efficiency and Macroeconomic Stability in Granular Economies

Israeli Economic Association Annual Conference (Discussant)

Hebrew University (Environmental Economics), seminar - The Racial Wealth Gap: the Role of Entrepreneurship, (joint with Daniel Albuquerque, Bank of England)

Midwest Macroeconomics Meetings Fall 2024 - Concentrated Risk: Misallocation and Granular Business Cycles

Justman, Moshe

Motherhood Gaps in Lifetime Earnings and Wages (with H. Stiassnie). Presented at the ninth biannual meetings of the Society for the Study of Economic Inequality, Aix-en-Provence, July 2023.

Family background, educational attainment, and earnings: The limited value of "test-score transmission" (with N. Friedman-Sokuler). Presented by N. Friedman-Sokuler at the annual meetings of the American Economic Association, New Orleans, January 2023; and at the 13th International Workshop on Applied Economics of Education, Catanzaro (Italy), June 2023.

Kott, Asaf

Policy Impacts Annual Conference, Boston, USA
 Valle Nevado Workshop on Economics of Education; Chile

Lagziel, David

The 4th Durham Economic Theory Conference; the 13th Game Theory Israeli Conference; the Hebrew University Economics Seminar; the Bar-Ilan University Economic Theory Seminar; the Tel-Aviv University Economic Theory Seminar; the Tel-Aviv University Game Theory Seminar; The Ben-Gurion University Economics Seminar, and the Center for the Study of Digital Politics and Strategy seminar.

Lichtman-Sadot, Shirlee

University of Wisconsin Madison Institute for Research on Poverty Annual Summer Research Workshop.
 Society of Economics of the Household - Singapore
 Society of Labor Economics - Portland, Oregon
 Applied Micro Mini Conference - University of California, Davis
 Presented in the following seminars: University of California, Berkeley; University of California Los Angeles; University of California Irvine

Sela, Aner

OLIGO Workshop, Nicosia, Cyprus, June 2022.
 Contests: Theory and Evidence, Reading, UK, June 2022.
 Conference on Mechanism & Institution Design, Singapore, July 2022.
 The 12-th annual conference of the Israeli Chapter of Game Theory Society, Tel-Aviv, March 2023.
 OLIGO Workshop, Padova, Italy, June 2023.
 Contests: Theory and Evidence, Reading, UK, June 2023.

Shaton, Maya

The American Finance Association Annual Meeting, San Antonio, January 2024.
 The European Finance Association Annual Meeting, Bratislava, August 2024.
 The American Law and Economics Association Annual Meeting, May 2024.

Shurtz, Ity

EuHEA Conference 2024, Vienna. Presentation entitled: "Strategic Effort and Congestion Reduction: Evidence from an Emergency Department Routing Reform"

Van der Beek, Karine

Presentation at the 2024 ICI (Kellogg Crown Family Israel Center for Innovation) Conference, Jerusalem.
 Seminar lecture at Economics Department, University of Haifa.

Wettstein, David

Y. Ju and D. Wettstein, "Bidding with Coalitional Externalities: A strategic approach to partition function form games," The 2024 Conference on Mechanism and Institution Design hosted by Corvinus University of Budapest.

Zultan, Ro'i

Department of Economics, University of Duisburg-Essen, "Social image and social distance", 2023.

Department of Economics, University of Cologne, "Social image, observer identity, and crowding up," 2024.

Department of Microeconomics and Public Economics, Maastricht University, "Social image, observer identity, and crowding up," 2024.

Department of Economics, The Hebrew University of Jerusalem, "Beyond Value: on the role of superficial characteristics in demand for information," 2024.

Coller School of Management, Tel Aviv University, "Moral hazard and managerial ownership," 2024

Conflict Resolution forum, Ben-Gurion University of the Negev, "What do laboratory experiments teach us about intergroup conflict? 2024"

V. Publications 2022-23 (names of Center members appear in capital letters)

ABU-QARN, AMER

Asali, M., **Abu-Qarn, A. S.** and Beenstock, M. (Forthcoming), "Violence and Cooperation in Geopolitical Conflicts: Evidence from the Second Intifada," *Journal of Economic Behavior and Organization*.

Abu-Qarn, A. S. and Lichtman-Sadot, S. (2022), "Can Greater Access to Secondary Health Care Decrease Health Inequality? Evidence from Bus Line Introduction to Arab Towns in Israel," *Economic Modelling*, 106, article 105695, 1-20.

Abu-Qarn, A. S. and Lichtman-Sadot, S. (2022), "The Tradeoff between Work and Education: Evidence from Public Transportation Penetration to Arab Towns in Israel," *Journal of Policy Analysis and Management*, 41(1), 193–225.

AZAR, OFER

Voslinsky, Alisa and **Ofer H. Azar** (2021), "Incentives in experimental economics," *Journal of Behavioral and Experimental Economics*, 93, Article 101706, 1-6.

Azar, Ofer H. (2021), "Risk and Prior Outcome Effects on Managerial Decision Making," *Journal of Behavioral and Experimental Economics*, 95 Article 101775, 1-7.

Voslinsky, Alisa, Yaron Lahav, and **Ofer H. Azar** (2021), "Does a second offer that becomes irrelevant affect fairness perceptions and willingness to accept in the ultimatum game?" *Judgment and Decision Making*, 16(3), 743-765.

Kumar, Satish, **Ofer H. Azar**, Nitesh Pandey, and Weng Marc Lim (2022), "Fifty years of the *Journal of Behavioral and Experimental Economics*: A bibliometric review," *Journal of Behavioral and Experimental Economics*, 99, Article 101819, 1-10.

Voslinsky, Alisa and **Ofer H. Azar** (2022), "The effect of a reference point in task difficulty: How does a task that becomes irrelevant affect effort, feelings and perceptions" *Judgment and Decision Making*, 17(4), 797-815.

Avugos, Simcha, **Ofer H. Azar**, Eran Sher, Nadav Gavish and Michael Bar-Eli (2023), "Detecting patterns in the behaviour of goalkeepers and kickers in the penalty shootout: A between-gender comparison among score situations," *International Journal of Sport and Exercise Psychology*, 21(2), 196-216. doi: 10.1080/1612197X.2022.2066704.

Daum-Avital, Liora and **Ofer H. Azar** (2023), "Courtesy versus efficiency: Personal gifts and monetary gifts – Preferences and norms in Israeli society," *Journal of Behavioral and Experimental Economics*, 104, Article 102019, 1-11. doi: 10.1016/j.socec.2023.102019.

Azar, Ofer H. and Michael Bar-Eli (2023), "Penalty kicks as cross-fertilization: On the economic psychology of sports," *Asian Journal of Sport and Exercise Psychology*, 3(1), 8-12. doi: 10.1016/j.ajsep.2022.09.008.

Azar, Ofer H. and Alisa Voslinsky (2024), "Examining relative thinking in mixed compensation schemes: A replication study," *Journal of Economic Behavior and Organization*, 218, 568-578. Doi: 10.1016/j.jebo.2024.01.001.

BEN-MOSHE, DAN

BEN-MOSHE, D. (2023) "Identifying an Earnings Process with Dependent Contemporaneous Income Shocks," *Economics Letters*.

BEN ZEEV NADAV

BEN ZEEV, N. (2023) "The TFP Channel of Credit Supply" *Review of Economic and Statistics* 105(2):425-441.

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**VI. WORKING Paper Series and abstracts for the period of the report
(issued from the Monaster Center)**

Discussion Paper Series 2024

ABSTRACTS OF DISCUSSION PAPERS (issued since the previous report)

**CORPORATE SOCIAL RESPONSIBILITY AS A SIGNAL IN THE LABOR
MARKET**

Eldar Dadon, Marie Claire Villeval, Ro'i Zultan
Discussion Paper No. 24-15

Abstract

Working for a firm engaged in Corporate Social Responsibility (CSR) appeals to potential workers by boosting their self-image and sense of purpose. We propose an additional mechanism: CSR signals a firm's future treatment of workers. Our model links CSR engagement with a firm's propensity to support workers during unforeseen times of need. Under this assumption, a potential future need of the worker leads to more firms engaging in CSR and to a higher workers' willingness to accept lower wages. Our experiment manipulates potential future needs across treatments. While the aggregate analysis does not support our theory, exploratory analysis reveals that male workers respond as predicted, whereas female workers do not. Consistently, in a risky environment, male employers increase their CSR engagement, which raises the acceptance rate among male workers. These results do not hold for female employers and workers.

THE ISOLATION INDEX

Casilda Lasso de la Vega and Oscar Volij
Discussion Paper No. 24-14

Abstract

We provide an axiomatic characterization of the Isolation index, an index that is increasingly used by economists to measure segregation, exposure, and related concepts.

OPTIMAL REDISTRIBUTION AND EDUCATION SIGNALING
 Spencer Bastani, Tomer Blumkin and Luca Micheletto§
Discussion Paper No. 24-13

Abstract

This paper studies optimal taxation of income and education when employers cannot observe workers' productivity and workers signal their productivity to firms by choosing both quantity and quality of education. We characterize constrained efficient allocations and derive conditions under which there is *predistribution*, i.e., redistribution through wage compression. Implementation through income and education dependent taxes is discussed, as well as education mandates. A key insight is that achieving *predistribution* requires complementing the income tax with additional policy instruments that regulate the flow of information in the labor market and prevent high-skilled individuals from separating themselves from their low-skilled counterparts. Keywords: nonlinear taxation, education, asymmetric information, human capital, *predistribution* JEL

RETHINKING COMMODITY TAXATION: THE NEW STATUS REDISTRIBUTION
 CHANNEL

Spencer Bastani, Tomer Blumkin, Luca Micheletto
Discussion Paper No. 24-12

Abstract

This paper presents a novel perspective on the taxation of conspicuous consumption, highlighting its potential to achieve a more equitable welfare distribution by compressing the status distribution. By curbing the conspicuous consumption of the affluent, the government reduces the informativeness of status signaling, leading to an increased share of the social status surplus for the less wealthy. This "status channel" serves as a complement to traditional monetary channels of redistribution. The findings emphasize the importance of incorporating the status dimension in policy design and shed new light on the benefits of taxing conspicuous consumption in pursuit of societal equity.

BEYOND VALUE: ON THE ROLE OF SYMMETRY IN DEMAND
 FOR INFORMATION

Aniol Llorente-Saguer, Santiago Oliveros, Ro'i Zultan
Discussion Paper No. 24-11

Abstract

We study non-instrumental value for information when choosing between symmetric and asymmetric information sources. Although symmetry is a seemingly superficial characteristic, we find a systematic preference for symmetric sources. Elicited beliefs show participants overestimate the instrumental value of symmetric sources, yet this fails to explain the choice pattern. The beliefs data reveals two types of systematic deviations from Bayesian belief updating: about half of the subjects exhibit base-rate neglect while the others systematically neglect new information more than the base rate. We leverage this understanding of belief formation processes to provide further evidence of intrinsic preferences for symmetry.

SOCIAL IMAGE, OBSERVER IDENTITY, AND CROWDING UP
 Yamit Asulin, Yuval Heller, Nira Munichor, and Ro'i Zultan
Discussion Paper No. 24-10

Abstract

People behave more pro-socially when watched by others. We develop a theoretical model incorporating social distance between the agent and the observer and test the model predictions in a field experiment with 670 high-school students. Participants were unobserved, observed by a friend, or observed by an acquaintance. We also manipulated personal rewards for effort up to a certain threshold. We find that: (1) observability increases effort; (2) the personal reward increases effort strictly above the threshold when the efforts are observed; and (3) among young adolescents, both effects are stronger when the observer is an acquaintance (rather than a friend).

REPUTATION IN CONTESTS
 Chen Cohen, Ishay Rabi, Aner Sela
Discussion Paper No. 24-09

Abstract

We investigate two-stage parallel contests with a finite number of heterogeneous agents with various skills (cost of efforts) and reputations, as well as a finite number of heterogeneous contests. Each agent chooses which contest to enter in the first stage, and in the second stage, the agents who chose the same contest compete against one another for a single prize, the value of which is a combination of a nominal value and the reputation of the competing agents. We demonstrate that reputation in contests may lead to an unstable environment. We present a sufficient condition for resolving this instability, which results in the existence of a subgame perfect equilibrium with pure strategies. We then provide an algorithm for calculating it. We demonstrate that our equilibrium is far more likely to hold in an environment where the agents' skills and reputations are correlated.

AN ALGORITHMIC ANALYSIS OF PARALLEL CONTESTS
 Chen Cohen, Ishay Rabi, Aner Sela
Discussion Paper No. 24-08

Abstract

We consider two-stage parallel contests with a finite set of agents and a finite set of heterogeneous contests. In the first stage, each agent simultaneously chooses in which contest he wants to compete, and in the second stage, the agents who chose the same contest compete against each other in a contest for a single prize. We first assume general contest success functions with nonlinear cost functions, and then we provide an algorithm that converges to equilibrium; namely, the algorithm organizes the allocation of agents among the contests until no agent wants to change his current contest. Later, we assume the Tullock contest success function with linear cost functions, and for homogeneous or heterogeneous agents, we show that our model and congestion games are equivalent, establishing the existence of a subgame perfect equilibrium with pure strategies in our two-stage parallel contests model.

CARROTS AND STICKS: COLLABORATION OF TAXATION AND SUBSIDIES
IN CONTESTS

Yizhaq Minchuk and Aner Sela

Discussion Paper No. 24-07

Abstract

We study all-pay auctions under incomplete information in which the designer can impose taxes or subsidies, and his expected payoff is the contestants' expected total effort minus the cost of subsidies, or, alternatively, plus the tax payment. When contestants have linear effort cost functions, we show that taxing the winner's payoff is profitable for the contest designer and particularly more profitable than the same model with no taxation or the same model with contestants' effort taxation. When the contestants' effort cost functions are convex and the taxation rate is relatively low, we show that the designer should tax the winner's payoff while subsidizing all of the other contestants' effort costs. As a result, contest organizers should think about combining taxation and subsidies in their contests because they complement rather than substitute each other.

MEASURING AND CORRECTING MONOTONICITY BIAS:
THE CASE OF SCHOOL ENTRANCE AGE EFFECTS

Itay Attar, Danny Cohen-Zada, and Todd Elder

Discussion Paper No. 24-06

Abstract

Instrumental variables estimators typically must satisfy monotonicity conditions to be interpretable as capturing local average treatment effects. Building on previous research that suggests monotonicity is unlikely to hold in the context of school entrance age effects, we develop an approach for identifying the magnitude of the resulting bias. We also assess the impact on monotonicity bias of bandwidth selection in regression discontinuity (RD) designs, finding that "full sample" instrumental variables estimators may outperform RD in many cases. We argue that our approaches are applicable more broadly to numerous settings in which monotonicity is likely to fail.

WE DON'T NEED NO EDUCATION: THE EFFECT OF INCOME SHOCKS ON
HUMAN CAPITAL IN AFRICA

Mark Gradstein and Phoebe W. Ishak

Discussion Paper No. 24-05

Abstract

We explore the effects of early life income shocks on human capital using oil price fluctuations in a large sample of relevant African countries and employing micro data from multiple waves of the Demographic and Health Survey (DHS). Such shocks enable human capital investment via the standard income effect; but also crowd it out because of substitutability between natural resources and human capital income sources. The relative strength of the two effects depends on the age at which the shock is experienced. Consistent with these insights, we find that income shocks in early life are associated with enhanced educational attainment and wealth but are sometimes linked to reduced levels of such outcomes if experienced in adolescence. These results survive multiple robustness checks, and their broader implications are discussed.

RESOURCE WINDFALLS AND POLITICAL SABOTAGE: EVIDENCE
FROM 5.2 MILLION POLITICAL ADS

David Lagziel, Ehud Lehrer, Ohad Raveh

Discussion Paper No. 24-04

Abstract

We study the role of incentives in inducing sabotage in political contents, vis-à-vis natural resource windfalls. The latter induce plausibly exogenous increases in winning payoffs of candidates who compete for executive power, by extending opportunities for private gain or policy implementation upon winning. A model of political contests with exogenous payoffs and endogenous sabotage shows that higher payoffs increase sabotage in political campaigns. We validate these predictions using over 5 million TV ads from U.S. gubernatorial elections (2010-2020), leveraging plausibly exogenous variations in states' natural resource endowments. Results show that resource windfalls significantly escalate negative campaigning: a standard deviation increase in resource windfalls leads to a 10% rise in campaign negativity. We show that this effect is primarily fueled by corruption and observed most strongly in symmetric, more competitive environments.

CAN INCOME SHOCKS POLARIZE? THEORY AND EVIDENCE FROM
NATURAL RESOURCE WINDFALLS

Lotem Ikan, David Lagziel, Ohad Raveh§

Discussion Paper No. 24-03

Abstract

We study the impact of income shocks on political polarization. Previous studies find that polarization increases during economic hardships. We present theory and evidence that point at an opposite perspective, vis-à-vis the case of natural resource windfalls. The latter provide a source of plausibly exogenous income effects that stimulate public debate. Our theoretical framework, based on a contest over public opinion, predicts that heightened exposure to public debates (connectivity) leads to elevated polarization by allowing extremists unbridled control over the discourse. We test the model's predictions by employing detailed individual-level data covering the period 1964-2020, in conjunction with plausibly exogenous differences in natural resource endowments, as well as in connectivity levels, across U.S. states. Our baseline estimates show that one standard deviation of state resource windfalls increases individuals' average affective polarization by 4% in high-connectivity states. Our results shed light on the dynamics of polarization, as well as on hitherto overlooked adverse effects of natural resource abundance.

NOTES ON MONETARY THEORY FOR MICROECONOMISTS

Oscar Volij

Discussion Paper No. 24-02

Abstract

We present a reinterpretation of what is known as the classical dichotomy, and illustrate its power, within the framework of the fiscal theory of the price level, by deriving some insights in a language that, hopefully, is accessible to microeconomists.

THE NONSENSE OF BITCOIN IN PORTFOLIO ANALYSIS

Haim Shalit

Discussion Paper No. 24-01**Abstract**

The paper demonstrates the nonsense of using Bitcoin in financial investments. Using mean-variance financial analysis, stochastic dominance, CVaR, and the Shapley value theory as an analytical statistical model, shows how Bitcoin performs poorly by comparing it against other traded assets. The conclusion is reached by analyzing daily freely available market data for 2018-2023.

VI. Research summaries of Center members

Abu-Bader, Suleiman

Dr. Abu Bader's research interests deal with applying econometric techniques to study macroeconomic relations. He investigates growth-related issues in the Middle East and the relationship between economic growth, globalization, income inequality, and poverty in developing countries. His current research focuses on the determinants of inequality gaps between Recognized and Unrecognized Arab Bedouin villages in southern Israel.

Abu-Qarn, Aamer

Prof. Abu-Qarn focuses his research on the determinants of economic growth in general and on the MENA region in particular. To accomplish this, he applies both time-series techniques and panel data methods. He also examines various aspects of the Israel-Arab conflict, including testing for structural breaks in military expenditures, the arms race, and the relationship between defense and economic growth. Additionally, he focuses on the determinants of labor force participation of Arab women and the impact of access to public transportation on the labor market, health, and education outcomes.

Azar, Ofer

Ofer Azar's main research areas include behavioral economics, experimental economics, sports, decision-making, industrial organization, and strategy. His recent research has focused on several particular topics. One is to examine experimentally the bias of relative thinking in how people make decisions between differentiated products and how workers respond to certain types of incentives. Another is to examine what affects the social norm of tipping. Some other recent research studies the behavior and decision-making of sports players, the norms about gift giving in Israel, and incentives in experimental economics.

Ben-Moshe, Dan

Dan Ben-Moshe specializes in theoretical and applied econometrics, focusing on measurement error, stochastic frontier analysis, and big data. His applied research centers on housing economics.

Ben Zeev, Nadav

Nadav Ben-Zeev's research interests lie in the areas of macroeconomics and macroeconometrics. His work aims to contribute to our understanding of the sources of business cycles. To accomplish this, he employs suitable macroeconomic methods. Currently, he is working on macro-finance topics. In particular, he studies how institutional investors affect the exchange rate and deviations from covered interest parity. He does this research using dynamic econometric methods.

Blumkin, Tomer

Tomer Blumkin's main line of research continues to focus on the normative issue of the optimal design of the tax and transfer (welfare) system, aiming to enhance redistribution and alleviate poverty in the backdrop of the inherent dis-incentives entailed by the policy tools available to the government. Tomer's research aims to address highly relevant policy issues that lie at the core of public discourse, including, inter-alia: the use of racial profiling for law enforcement, the effect of individuals' misperception of taxes/subsidies on labor supply decisions, the role of labor

migration in shaping the design of the tax and transfer systems, the effect of adverse selection in the labor market on policy design with special focus on mandatory parental leave rules and their impact on the gender wage gaps; and, the social desirability of the common practice of rendering preferential tax treatment to corporate social responsibility initiatives in the form of charitable donations by businesses. Over the last several years, Tomer has been engaged in a fascinating research agenda, joining forces with David Lagziel from the department, which explores the positive foundations of pay secrecy arrangements in labor contracts and the normative justification for regulation that promotes pay transparency. Two research papers that stemmed from this project were published during the last academic year. In addition, Tomer continued pursuing his research agenda, jointly with S. Bastani and L. Micheletto, which examines the role of a second layer of asymmetric information amongst the agents (between consumers and/or between employers and workers), on top of the traditionally assumed asymmetric information between the government and the agents, in shaping the redistributive tax-and-transfer system. In particular, the focus was set on exploring the optimal mix of redistributive channels (wage vs. income, status vs. income) and the potential role of policy tools such as education mandates, the monitoring of workhours and commodity taxation, as a means to control the signaling incentives of the agents and thereby promoting redistributive goals. Tomer continued his ongoing empirical work with two Finnish co- authors [T. Kosonen and K. Kotakorpi], examining the effect of the complexity of the application process to the municipal homecare allowance in Finland on benefits take-up rate and the target efficiency of the system. Finally, Tomer has also been engaged in a new research agenda, exploring theoretically the potential role played by social stigma (shaming') via social networks in enhancing law enforcement, in a joint work with D. Lagziel and Y. Margalioth.

Cohen, Chen

Chen Cohen's research deals primarily with game theory applied to green environment, green building, green energy, and recycling.

Cohen-Zada, Danny

Prof. Cohen-Zada's research focuses on the economics of education, gender economics, the economics of religion, and behavioral economics. His current work with Itay Attar and Naomi Gershoni examines the impact of school choice on students' educational and behavioral outcomes. In a separate project with Itay Attar, he explores the long-term effects of school entrance age on student performance, with particular attention to gender differences. He is also developing a methodological paper that addresses monotonicity bias in instrumental variable estimates, co-authored with Itay Attar and Todd Elder. Additionally, he is investigating how collaboration between genders in economic research influences publication quality, with Naor Chemoul and Oren Rigbi. His research in behavioral economics includes estimating gender differences in choking under pressure, co-authored with Naor Chemoul.

Eilat, Ran

Ran Eilat's main fields of interest are economic theory, incentives theory, information theory and mechanism design. He currently studies the effects of privacy regulation on mechanism design; the effect of information asymmetry on political trust; and optimal information transmission with limited communication.

Einy, Ezra

Prof. Einy's research concentrates on values of games, large games, voting games, utility theory, inequality measures, and refinement of correlated equilibria. His present focus is on solution concepts of economies with differential information.

Galil, Koresh

Prof. Galil's research focuses on empirical finance, algo-trading, trade credit, and credit risk. His current projects include empirical examination of quality trends in corporate ratings, the relationship between market power and trade credit, sovereign rating acquisition decision-making, anomalies in the crypto-currency markets, flexible models in high-frequency algo-trading, and the effect of national culture dimensions in various capital markets.

Gershoni, Naomi

Naomi Gershoni's main fields of interest are applied labor economics and education. A significant part of her research focuses on the Israeli labor market and aims to examine how policy interventions impact conditions, individuals' outcomes, and gender equality. Some of this work involves the design and evaluation of various innovative programs carried out in collaboration with Israeli government agencies, such as the Israeli Employment Services, the Ministry of Education, and the Institute for Scientific and Technological Training. Some of her recent work focuses on workers' behavior in groups and teams.

González-Torres, Ada

Dr. González-Torres main research areas are in development and political economy. Her work focuses on conflict, social norms and the role of information mechanisms in affecting development outcomes. She is working on different research projects involving a lab-in-the field and a field experiment to study the design and implementation of whistleblowing mechanisms for employer misbehavior in the context of the garment sector in Bangladesh. Her research also focuses on the political economy of disease outbreaks. She has research on the Ebola outbreak in West Africa, studying the link between epidemic disease and civil violence in the region, as well as on the role of media in changing cultural norms and the spread of disease. She is also collaborated in an interdisciplinary research project developing an epidemiological-economic model for COVID19 in Israel. Currently, she is also working on a research agenda on African Political Economy, studying the roots of autocracy vs democracy in Africa, together with Madina Kurmangaliyeva (Tilburg University).

Gradstein, Mark

Prof. Gradstein's research interests are concerned with private versus public provision of public goods and public growth-promoting policies. His current project (jointly with M. Justman) focuses on growth promoting policies as implied by actual political mechanisms.

Haimanko, Ori

Prof. Haimanko studies equilibrium existence and properties of equilibrium correspondences in games with incomplete information, and axiomatizations of value maps for cooperative games and of power indices for voting games.

Ifergane, Tomer

Tomer Ifergane's work seeks to advance two main research agendas. The first is understanding the interaction between business cycles and economic policy. The second is studying how inequality in microeconomic outcomes translates into the macroeconomy and its impact on the design of economic policies. I view these two agendas as complementary since inequality often modifies business cycle transmission, and business cycles affect the distribution of outcomes.

Business Cycles

My first project on this agenda is a joint paper with Nadav Ben Zeev, my PhD advisor, titled "Firing Restrictions and Economic Resilience: Protect and Survive?" (RED 2022). This paper asks how employment protection (EP) policies affect business cycle transmission. We combine empirical and theoretical methods to demonstrate that EP amplifies output fluctuations by inducing labour misallocation in times of crisis.

My second project on this agenda is a working paper titled "Efficiency and Macroeconomic Stability in Granular Economies". This paper is motivated by the granular business cycle hypothesis. It demonstrates how conceiving the real business cycle theory as arising from micro fluctuations gives rise to an efficiency-stability trade-off. Specifically, firms choose optimally their size without internalizing their effect on business cycle volatility. Thus, policies that reduce output and induce misallocation by affecting the scope of production at the firm level yield a stability benefit at the aggregate level.

Inequality

My first project on this agenda is a working paper titled "Time to Say Goodbye: The Macroeconomic Implications of Termination Notice"(R&R AEJ: Macro), which studies the role of termination notice mandates in providing income insurance to households, thus enabling consumption smoothing and improving the welfare of the unemployed. The paper demonstrates how, in a second-best world in which perfect insurance is impossible, termination notice can augment the unemployment insurance system by stimulating search efforts and reducing the fiscal externality of conventional unemployment insurance.

My second project on this agenda is joint work with Daniel Albuquerque titled "The Racial Wealth Gap: the Role of Entrepreneurship." This paper studies the determinants of racial disparities in the distribution of wealth between Black and White households in the United States. We examine several potential determinants: disparities in labor income, differences in labor market attachment, and barriers to entrepreneurship. Our findings indicate that barriers to entrepreneurship are the single most important drivers of wealth inequality between the two groups. Policies addressing those barriers are a promising direction for policy attention.

Justman, Moshe

Prof. Justman has three ongoing research projects: the interaction between investment in human capital, cultural differentiation, and growth with Mark Gradstein; inequality and mobility in lifetime income, earnings, and wages with Hadas Stiassnie; and family background, educational attainment, and earnings; with Naomi Friedman-Sokuler (Bar-Ilan University).

Kott, Assaf

Assaf Kott is an applied economist whose research focuses on how the safety-net system affects families. He is currently collaborating with coauthors on a study investigating the long-term consequences of a cut to Israel's child allowances program. In another study, Kott examines how attending pre-K at age three influences educational outcomes in high school, with a focus on how the effects differ by gender and SES status. In a new study, Kott explores how the expansion of Child Tax Credits impacted fertility and work incentives for mothers and fathers. In his research, Kott employs state-of-the-art econometric methods and utilizes rich administrative data covering nearly the entire population.

Lagziel, David

Dr. Lagziel's research lies in the fields of game theory, mechanism design, and economic theory. A significant part of his current research deals with screening problems, where uninformed decision-makers screen elements based on noisy unbiased assessments. In the past two years, Dr. Lagziel focused on a specific framework, referred to as the indoctrination game, which aims to explain various phenomena in public debates and polarization of populations.

Sela, Aner

Prof. Sela's research concerns optimal designs of contests and auctions.

Shirlee Lichtman-Sadot

Dr. Lichtman-Sadot is an applied economist whose research emphasizes health, family, and education economics. Her work has focused on school food environments and their effect on student outcomes. Another direction of her research is California's Paid Family Leave Program and its effect on birth timing and child health outcomes. Some of her current projects make use of public transportation data from Israel to evaluate the effect of public transportation on road accidents and the effect of penetration of public transportation into Arab communities in Israel on the labor market, educational attainment, and health outcomes.

Shurtz, Ity

Ity Shurtz's research generally falls within the fields of health economics and public economics. He works mostly on the issues of physician and patient behavior and the impact of old-age policies on the labor market.

Van der Beek, Karine

Dr. van der Beek's research interests include economic history, growth, and institutions. She mainly focuses on industrialization, technological change, and the evolution of human capital in pre-modern Europe. Her current research project explores the skilled labor sector in England during the Industrial Revolution.

Volij, Oscar

Prof. Volij does research in economic theory and game theory. His current projects involve the measurement of income segregation and the economics of theft.

Wettstein, David

Prof. Wettstein's current research focuses on the introduction of new solution concepts for cooperative environments with externalities and asymmetric information; non-cooperative foundations for cooperative solution concepts (the Nash Program); contests and auctions

Zultan, Ro'i

Ro'i Zultan is an experimental economist with a background in cognitive and experimental psychology. He is mainly interested in understanding how groups shape cognitions and behavior as well as in broader issues of cooperation and behavior in teams. He is also interested in some basic game theoretical issues, experimental auctions, and experimental methodology.