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I. MEMBERS OF THE MONASTER CENTER FOR ECONOMIC RESEARCH

**DIRECTOR**: Prof. Ro’i Zultan

**MEMBERS**

Dr. Suleiman Abu-Bader  
Dr. Aamer Abu-Qarn  
Prof. Ofer Azar, Department of Business Administration  
Dr. Tanya Baron  
Dr. Nadav Ben-Zeev  
Prof. Tomer Blumkin  
Dr. Chen Cohen, Department of Public Policy and Administration  
Prof. Danny Cohen-Zada, Chairman, Department of Economics  
Dr. Ran Eilat  
Prof. Ezra Einy  
Dr. Koresh Galil  
Dr. Naomi Gershoni  
Dr. Ada González-Torres  
Prof. Mark Gradstein,  
Prof. Ori Haimanko  
Dr. David Lagziel  
Dr. Shirlee Lichtman-Sadot  
Dr. Oren Rigbi  
Prof. Edna Schechtman, Department of Industrial Engineering and Management  
Prof. Aner Sela  
Dr. Ity Shurtz  
Dr. Karine van der Beek  
Prof. Oscar Volij  
Prof. David Wettstein  
Prof. Ro’i Zultan
II. OPENING REMARKS

In the 2020-2021 academic year, Center members continued to rise to the challenges of conducting teaching and research during a pandemic. With more emphasis on remote and online activities, we enjoyed virtual seminar visits from top researchers worldwide. Developing technologies meant that virtual conferences allowed for more and better interactions with fellow scholars. Center members continued to publish prolifically, with over forty articles accepted or appearing in international journals.

Many Center members continue to be supported through competitive grants, such as the ISF and the BSF, following our highly successful year in this regard last year, with several members joining our roster of active grant awardees this year. In addition, the working paper series distributed under the auspices of the Center continued to flourish, issuing a high number of articles produced by the department members (as enumerated in this report). All titles are available on the Internet on the site entitled The Monaster Center for Economic Research.

Once again, we thank Ms. Ella Ginzburg and Ms. Estelle Schulgasser for their support in the production of this report.

Prof. Ro’i Zultan, 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). Due to Covid-19 all talks were presented via Zoom.

29.10.20 Limor Golan, Washington University

05.11.20 Michel Strawczynski, The Hebrew University and Bank of Israel
“Shall a Means-Tested Basic Income Substitute Traditional Welfare?”

12.11.20 Shirlee Lichtman-Sadot, Ben-Gurion University
“The US Welfare Reform and Mortality”

19.11.20 Ethan Ilzetzki, London School of Economics
“Government Purchases and Plant-Level Productivity: Evidence from World War II”

26.11.20 Tzachi Raz, The Hebrew University
“Learning is Caring: Soil Heterogeneity, Social Learning and the Formation of Close-Knit Communities”

03.12.20 Muly San, New York University
“Who Works Where and Why: Parental Networks and the Labor Market”

10.12.20 Elior Cohen, UCLA
“The Effect of Housing Assistance on Recidivism to Homelessness, Economic, and Social Outcomes”

17.12.20 Moran Koren, Stanford University
“The Implications of Pricing on Social Learning”

24.12.20 Tomer Ifergane, Ben-Gurion University
“Time to Say Goodbye: The Macroeconomic Implications of Termination Notice”

31.12.20 Adi Shany, Tel-Aviv University
“How Markets Clear Without Prices? Service Time in Online Grocery”

07.01.21 “Roland Rathelot, Warwick University
“Job Search and Tightness During the COVID-19 Crisis: Empirical Evidence from Sweden and France”

14.01.21 Petter Lundborg, Lund University

04.03.21 Guy Roinik, Chicago Booth
“Taming Big Tech”
11.03.21 Jeanne Hagenbach, Sciences Po
“Selective Memory of a Psychological Agent”

18.03.21 Yoram Halevy, University of Toronto
“Randomize at Your Own Risk: on the Observability of Ambiguity Aversion”

08.04.21 Cass Sunstein, Harvard University
“Knowledge is Power, But Ignorance is Bliss”

22.04.21 Lorenzo Casaburi, University of Zurich
“Land Rental Markets: Experimental Evidence from Kenya”

29.04.221 Nora Szech, KIT
“Choice Architecture and Incentives Increase COVID-19 Vaccine Intentions and Test Demand”

06.05.21 Attila Lindner, University College London
“The Impact of Payroll Tax Subsidies: Theory and Evidence”

13.05.21 Maria Petrova, Universitat Pompeu Fabra
“Bombs, Broadcasts and Resistance: Allied Intervention and Domestic Opposition to the Nazi Regime During World War II”

20.05.21 Rafael Lalive, University of Lausanne
“Can Outlawing Stated Gender Preferences Reduce Gender Segregation Across Firms?”

27.05.21 Curtis Taylor, Duke University
“Setbacks, Shutdowns, and Overruns”

03.06.21 Thomas Buser, University of Amsterdam

17.06.21 Jerome Adda, Bocconi University
“There’s More to Marriage than Love: The Effect of Legal Status and Cultural Distance on Intermarriages and Separations”
Research Contracts, Grants, Fellowships, and Awards

Aamer Abu-Qarn (together with Shirlee Licthman-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.

Suleiman Abu-Bader 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.”

Tanya Baron was awarded an ISF grant in the amount of NIS 293,000 for the proposal “Short- and Long-Term Effects of Preschool Attendance on Cognitive and Non-Cognitive Outcomes of Arab Children” (together with Analia Schlosser from Tel-Aviv University).

Tomer Blumkin continues to serve as the chair of the university library committee. He holds an active two-year ISF grant in the amount of 230,000 NIS for a proposal entitled “Wage Secrecy in Labor Contracts” (joint with David Lagziel), received in 2019. 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 Margaliot 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.

Danny Cohen-Zada was awarded the following grants: 2018-22: The Maurice Falk Institute for Economic Research in Israel, “Mechanism and Effects of Free Choice Among Public Schools,” four years, 40,000 NIS (with Naomi Gershoni).

Ada González-Torres was awarded the following grants in 2020/2021:
(1) Robert Wood Johnson Foundation $225,484, for “Whistleblowing and Worker Well-being: Evidence from Bangladesh’s Garments Sector” (with Laura Boudreau and Sylvain Chassang);
(2) J-PAL Gender and Economic Agency Initiative $120,871 “Whistleblowing and Worker Well-being: Evidence from Bangladesh’s Garments Sector” (with Laura Boudreau and Sylvain Chassang);

She was awarded the following grants in 2019/2020:
(1) Israeli Science Foundation (ISF) Personal Research Grant – NIS 305,000 research grant for three years and NIS 25,623 international cooperation grant, for “Effects of Whistleblowing at the Workplace: Evidence from Bangladesh’s Garment Sector” (with Laura Boudreau);
(2) Private Enterprise Development in Low-Income Countries (PEDL) – £46,889 for “Whistleblowing Mechanisms for Employer Misbehavior” (with Laura Boudreau);
(3) G2LM|LIC from the Institute for Labor Economics (IZA) – €29,944 for “Whistleblowing Mechanisms & Worker Well-Being” (with Laura Boudreau);
(4) Israeli Ministry of Science and Technology for “An Epidemiological-Economic Model for COVID-19 Intervention Strategies in Israel” – NIS 50,000 (with Shai Pilosof, Rami Puzis, Nadav Davidovitch, and Ofer Setty).

David Lagziel holds an ISF grant in the amount of 230,000 NIS for a proposal entitled “Wage Secrecy in Labor Contracts” (joint with Tomer Blumkin).

Shirlee Lichtman-Sadot was awarded the following grants:
(1) The National Insurance Institute of Israel (Bituach Leumi) (with Aamer Abu-Qarn) in the amount of 138,830 NIS for the project “The Effects of Public Transportation Penetration into Arab Communities in Israel on Labor Market, Education, and Health Outcomes.” This is a two-year grant starting from November 2018.
(2) The Falk Institute for Economic Research in Israel (with Aamer Abu-Qarn) in the amount of 45,000 NIS for the project “The Effects of Public Transportation Penetration into Arab Communities in Israel on Labor Market, Education, and Health Outcomes.” This is a two-year grant starting from August 2018.
(3) The Falk Institute for Economic Research in Israel in the amount of 25,000 NIS for the project “Spouse and Marriage Dynamics in Response to Pension Reforms.” This is a two-year grant starting from August 2018.
(4) Heth Center for Competition and Regulation Research in Israel (with Aamer Abu-Qarn) in the amount of 25,000 NIS for the project “The Effects of Public Transportation Penetration into Arab Communities in Israel on the Female Labor Market and Education Outcomes.”
(5) The National Insurance Institute of Israel (Bituach Leumi) in the amount of 91,000 NIS for the project “Spouse and Marriage Dynamics in Response to Pension Reforms.” This is a two-year grant starting from October 2019.

Oren Rigbi was awarded the following grants:
ISF grant in the amount of 150,000$ for a proposal entitled “The Economics of the Israeli Food Retail Markets” (together with Itai Ater).
ISF grant in the amount of 69,000$ for a proposal entitled “The Economics of Rights: Benefits and Costs.”
Ity Shurtz received an Israel Science Foundation grant for the years 2021-2024 in the amount of 397,500 NIS entitled “Realization of Low Probability Clinical Risks and Physician Behavior: Evidence from Primary Care Physicians.”

Karine van der Beek was awarded a three-year grant from the Israel Science Foundation (no. 374/21) entitled “The Collateral Channel of Britain’s Industrial Revolution: The Financial Side of Land Enclosures” in the amount of 387,000 NIS, which is equivalent to 120,261 US$ based on the current exchange rate.

Ro’i Zultan holds or was awarded the following grants:
(1) Faculty of Social Sciences and Humanities grant for interdisciplinary research, Ben-Gurion University: “Feuds: Theoretical and Experimental Models of an Historical Phenomenon” (with Hillay Zmora). $15,000.
(3) Israel Science Foundation (ISF): “Managerial Decisions and the Efficient Market Hypothesis” (with Todd Kaplan). ~$220,000.

Committees, Society Fellowships, Appointments, and Research Collaborations

Suleiman Abu-Bader collaborates with Aamer Abu-Qarn from Ben-Gurion University.

Aamer Abu-Qarn is a member of the Faculty of Humanities and Social Sciences Ph.D. committee. He collaborates with Muhammad Asali from Tbilisi State University; Michael Beenstock from the Hebrew University; Christos Kollias from University of Thessaly, Greece; and Luigi Ventura from Sapienza Università di Roma.

Ofer Azar continued to serve as Editor to the Journal of Behavioral and Experimental Economics. This journal is ranked among the top three in behavioral economics and socio-economics, and its impact factor has increased to 1.15 (2-year) and 1.43 (5-year). Prof. Azar is also an Associate Editor of the Journal of Economic Psychology and Head of the Multidisciplinary Specialty in the Department of Business Administration.

Prof. Azar’s recent research collaborations include Yaron Lahav, Alisa Voslinsky and Michael Bar-Eli from Ben-Gurion University; Simcha Avugos from the Wingate Institute; Eran Sher from the Technion; and Mark Applebaum and Elia Morgulev from Kaye Academic College of Education. Ofer Azar continued to serve as Editor to the Journal of Behavioral and Experimental Economics. This journal is ranked among the top three in behavioral economics and socio-economics, and its impact factor has increased to 1.14. Prof. Azar is also an Associate Editor of the Journal of Economic Psychology and Head of the Multidisciplinary Specialty in the Department of Business Administration.

Prof. Azar’s recent research collaborations include Ronnie Lidor (the President of The Academic College at Wingate, Wingate Institute); Yaron Lahav, Alisa Voslinsky and Michael Bar-Eli from Ben-Gurion University; Simcha Avugos from the Wingate Institute; Eran Sher from the Technion; and Mark Applebaum and Elia Morgulev from Kaye Academic College of Education.

Tanya Baron collaborates with Noriko Amano-Patino (Cambridge), Pengpeng Xiao (Duke), Eran Yashiv (Tel-Aviv University) and Analia Schlosser (Tel-Aviv University).
Tomer 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 Linnaeus University; Kaisa Kotakorpi and Tuomas Kosonen from the VATT Institute in Helsinki, Finland; and Amihai Glazer from UC Irvine.

Danny Cohen-Zada is a Research Fellow at the Institute for the Study of Labor (IZA) in Bonn, Germany) since September 2010. He collaborates with Todd Elder from Michigan State University; Alex Krumer from University of St. Gallen; and Naomi Gershoni from Ben-Gurion University.

Ran Eilat 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); and Zvika Neeman (Tel-Aviv University).

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

Koresh Galil collaborates with Zvika Afik and Mosi Rosenboim (Ben-Gurion University); Lior David-Pur (Ben-Gurion University); Thomas Lindner (Vienna University of Economics and Business); Margalit Samuel (Tel-Aviv University); Offer Shapir (NYU-Shanghai); Rodrigo Zeidan (NYU-Shanghai).

Naomi Gershoni 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.

Ada González-Torres 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.

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

David Lagziel collaborates with Prof. Tomer Blumkin, Prof. Aner Sela, Prof. Ori Haimanko, Dr. Chen Cohen, and Prof. Ezra Einy all from BGU, as well as with Prof. Ehud Lehrer from Tel-Aviv University.
Shirlee Lichtman-Sadot collaborates on projects with Edith Sand from the Bank of Israel and Yona Rubinstein from the Interdisciplinary Center Herzliya and the London School of Economics. She has ongoing projects with Oren Rigbi and Aamer Abu-Qarn, from Ben-Gurion University. She has also been collaborating with David Slusky from the University of Kansas. Since 2019 she is an IZA Research Fellow.

Oren Rigbi is a Research Fellow at the Center for Economic Studies (CESifo) in Munich, Germany. He collaborates with Itai Ater from Tel-Aviv University; Yehonatan Givati from the Hebrew University; Jonathan Meer from Texas A&M University; Danny Cohen-Zada and Shirlee Lichtman-Sadot from Ben-Gurion University; Yotam Margalit from Columbia University; and Yona Rubinstein from LSE.

Edna Schechtman is a statistician (emeritus) from the Department of Industrial Engineering and Management. She does joint research with Hillel Bar Gera (Ben-Gurion University of the Negev); Gideon Schechtman (the Weizmann Institute of Science); Diamanta Benson and Ofer Levi (Open University); and Amit Shelef (Sapir College). She serves as an associate editor for Metron. In addition, she is a member of the Israel Council for Higher Education (“Malag”) Committee for the Appointment of Professors.

Aner Sela serves as a co-editor for the Journal of Economics and Management Strategy. Since 2003 he is a Research Fellow of the CEPR.

Karine van der Beek collaborates with Prof Joel Mokyr (Northwestern University) and with Assaf Sarid (University of Haifa) on a joint project on the geographical origins of mechanical skills and technological change in England; with Nadav Ben-Zeev (Ben-Gurion University); with Lior Farbman (Ben-Gurion University, PhD); with Moshe Justman (Ben-Gurion University); and with Naomi Feldman (Federal Reserve Board). She is a Research Affiliate at the CEPR (Centre of Economic Policy Research), serves as Trustee of the European Historical Economics Society, and is a member of the Human Subjects Research Committee.

Oscar Volij 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.

Prof. Wettstein is the Dean of the Faculty of Humanities and Social Sciences at Ben-Gurion Universit. He works on the following joint research project: “Values for Environments with Externalities” with Inés Macho-Stadler and David Pérez-Castrillo (Universitat Autonoma de Barcelona). He also serves as associate editor for the Journal of Mechanism and Institution Design.

Ro’i Zultan serves on the following committees:
BGU Senate Follow-up Committee
Faculty of Social Sciences and Humanities M.A. Committee
He collaborates with Kobi Gal, Tomer Blumkin, Shlomo Cohen, Yoella Bereby-Meyer, and Hillay Zmora (all from Ben-Gurion University); Ori Weisel and Yaniv Shani (Tel-Aviv University); Todd Kaplan and Moti Mihaeli (Haifa University); Yuval Heller (Bar-Ilan University); Lawrence Choo (University of Erlangen-Nuremberg); Aniol
Llorente-Saguer (Queen Mary, University of London); Santiago Oliveros (University of Essex); 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 Külpmann (Vienna University).

IV. PARTICIPATION IN CONFERENCES AND SEMINARS

Aamer Abu-Qarn

Tanya Baron
SOLE (May 2021), NASMES 2021 (June 2021), EEA-ESSEM 2021 (August 2021), IEA 2021 (June 2021) – presentation by co-authors.

Naomi Gershoni
Law and Economics Workshop, Tel-Aviv University; Econometric Society Annual Meeting 2020, Milan (virtual).
2021 Helsinki GSE Labor and Public Seminar; Bar-Ilan University Economics; SOLE 25th Annual Meeting (virtual); SEHO 2021 Boston (virtual); IEA 37th Annual Conference (virtual); ESPE 2021 Annual Conference (virtual).

Ada González-Torres
2020/21 UNU-WIDER Conference on Covid-19 and development: effects and new realities for the Global South, Helsinki, Finland; Departmental Seminar, Environmental Economics, Hebrew University;
2019/20 Departmental Seminar at ETH Zurich, Switzerland; Working Group in African Political Economy, Cape Town University, South Africa.

Ori Haimanko
European Meeting on Game Theory 2021 (SING16), June 2021, Universidad de Granada, Spain.
Title: “Bayesian Nash Equilibrium Existence in (Almost Continuous) Contests.”

Shirlee Lichtman-Sadot
European Urban Economics Association Meeting (May 2021, on-line conference); Society of Economics of the Household (May 2021, on-line conference); European Society of Population Economics (June 2021, on-line conference); American Society for Health Economists (June 2021, on-line conference); EALE (September 2021, on-line conference).

Aner Sela
The XXIXth European Workshop in Economic Theory, Akko, Israel, June 2021.
Ity Shurtz

Karine van der Beek
The ASSA 2020 Annual Meetings in San Diego.

David Wettstein

Ro’i Zultan
Invited seminars:
Ben-Gurion University of the Negev, University College London, 2020.

Conference presentations:
“Goodhart’s Law in the Labor Market: Quality and Quantity,” 5th Coller Conference on Behavioral Economics, Tel Aviv University, Israel.
“Group reciprocity”, RExCon21: Social Norms and Social Preferences. Moscow, Russia (online), 2021.

V. PUBLICATIONS 2020-21 (names of Center members appear in capital letters)


EINY, E., HAIMANKO, O. And LAGZIEL, D “Strong Robustness to Incomplete Information and the Uniqueness of a Correlated Equilibrium.” Forthcoming in *Economic Theory*.


VI. WORKING PAPER SERIES and abstracts for the period of the report (issued from the Monaster Center)

**Discussion Paper Series 2020**


20-03 E. Einy, D. Moreno, and A. Sela, “Continuity and Robustness of Bayesian Equilibria in Tullock Contests.”


20-05 A. Sela, “Two-Stage Matching Contests.”

20-06 O. Haluta and A. Sela, “Effort Maximization in Contests under a Balance Constraint.”

20-07 D. Cohen and A. Sela, “Common-Value Group Contests with Asymmetric Information.”

20-08 A. Abu-Qarn and S. Lichtman, “Connecting Disadvantaged Communities to Work and Higher Education Opportunities: Evidence from Public Transportation Penetration to Arab Towns in Israel.”

20-09 S. Lichtman-Sadot, N. Benshalom-Tirosh, and E. Sheiner, “Conflict, Rockets, and Birth Outcomes: Evidence from Israel’s Operation Protective Edge.”


20-12 L. Choo, T.R. Kaplan, and R. Zultan, “Manipulation and (Mis)trust in Prediction Markets.”

20-15  M. Mahajne and O. Volij, “The Individually Acceptable Choice Correspondence.”
20-16  M. Mahajne and O. Volij, “Pairwise Consensus and the Borda Rule.”

**Discussion Paper Series 2021**

21-01  D. Lagziel and E. Lehrer, “Dynamic Screening.”

21-02  A. Shelef and E. Schechtman, “A Gini-Based Analysis of the Differences Between Men and Women in the Labor Market Over Time.”

21-03  A. Sela, “Effort Allocations in Elimination Tournaments.”

21-04  Y. Minchuk and A. Sela, “Subsidy and Taxation in All-Pay Auctions Under Incomplete Information.”

21-05  A. Sela, “Resource Allocations in Multi-Stage Contests.”


**ABSTRACTS OF DISCUSSION PAPERS** (issued since the previous report)

**Dynamic Screening**
David Lagziel and Ehud Lehrer
Discussion Paper 21-01

We study dynamic screening problems where elements are subjected to noisy evaluations and, in every stage, some of the elements are rejected while the remaining ones are independently re-evaluated in subsequent stages. We prove that, ceteris paribus, the quality of a dynamic screening process is not monotonic in the number of stages. Specifically, we examine the accepted elements’ values and show that adding a single stage to a screening process may produce inferior results, in terms of stochastic dominance, whereas increasing the number of stages substantially leads to a first-best outcome.

**A Gini-Based Analysis of the Differences Between Men and Women in the Labor Market Over Time**
Amit Shelef and Edna Schechtman
Discussion Paper 21-02

The common practices in gender gap studies are twofold: look at summary statistics or use regression analyses. We look at the entire distributions and examine the amount of overlapping of one distribution (women) by the other (men) and the average rank of one group had it been...
ranked by the other. We combine two research areas: An advanced statistical method (the Gini-based overlapping index) and labor economics. The effects of marital status, age, level of education and the effect of occupations which are mainly dominated by either one of the genders are examined on Israeli data over three decades. Results show that the overlapping between men and women increases along time for both salary per month and hours worked per month, while for payment per hour it stays the same. While there is almost no change over time for the groups of bachelors and married subjects, an increase in overlapping is observed for singles in hours worked and monthly pay, but not in hourly salary. In branches which are dominated by women, the overlapping increases along time. Further, for the lowest examined level of education the overlapping decreases along time while for the highest level of education it increases.

EFFORT ALLOCATIONS IN ELIMINATION TOURNAMENTS
Aner Sela
Discussion Paper 21-03
We study elimination tournaments with $n$ stages and $2^n$ symmetric players. The players have heterogeneous effort budgets that decrease within the stages proportionally to the efforts allocated in the previous stages such that for each effort unit that a player allocates, he loses $a$ (the fatigue parameter) units of effort from his budget. We show that if the fatigue parameter $a$ is larger than $1/n$, the players equally allocate their efforts over all the first $n - 1$ stages, and only in the final stage, they exert lower effort.

SUBSIDY AND TAXATION IN ALL-PAY AUCTIONS UNDER INCOMPLETE INFORMATION
Yizhaq Minchuk, and Aner Sela
Discussion Paper 21-04
We study all-pay auctions under incomplete information with n contestants who have non-linear cost functions. The designer may award two kinds of subsidy (taxation): one that decreases (increases) each contestant’s marginal cost of effort and another that increases (decreases) each contestant’s value of winning. The designer’s expected payoff is the contestant’s expected total effort minus the cost of the subsidy or, alternatively, plus the tax payment. We show that when the resource of subsidy (the marginal taxation rate) is relatively small and the cost function is concave (convex), the designer’s expected payoff in all-pay auctions with both kinds of subsidy (taxation) is higher than in the same contest without any subsidy (taxation). We then compare both kinds of subsidy and demonstrate that if the resource of the subsidy is relatively small and the cost functions are concave (convex), the cost subsidy is better than the prize subsidy for the designer who wishes to maximize his expected payoff.

RESOURCE ALLOCATIONS IN MULTI-STAGE CONTESTS
Aner Sela
Discussion Paper 21-05
We study best-of-k contests ($k = 2; 3$) between two players. The players have heterogeneous resource budgets that decrease within the stages proportionally to the resource allocated in the previous stages such that for each resource unit that a player allocates, he loses _ (the fatigue parameter) units of resources from his budget. We show that in both contest forms, independent of the values of the fatigue parameters, each player allocates his smallest resource in the last stage. In the best-of-three contest where there are different fatigue parameters for each of the two first stages, a sufficient condition that the resource allocation in the first stage is larger than in
the second one is that the value of the fatigue parameter of the first stage is smaller than or equal to the value of the fatigue parameter of the second stage. We also show that in the best-of-three contest, if the fatigue parameters are sufficiently large (approaches one), both players allocate almost all their resource budgets in the first two stages such that they have no resources left for the last stage in which the winner might be decided.

**EQUILIBRIUM EXISTENCE IN TWO-PLAYER CONTESTS WITHOUT ABSOLUTE CONTINUITY OF INFORMATION**

Ori Haimanko

Discussion Paper 21-06

We prove the existence of a behavioral-strategy Bayesian Nash equilibrium, without assuming absolute continuity of information, in two-player common-value contests where each player’s probability to win is continuous in efforts outside the zero-effort profile and non-decreasing in his own effort. In particular, equilibrium exists even if both players have a continuum of interdependent information types without joint density.

**CAN MORE POLICE INDUCE MORE CRIME?**

Casilda Lasso de la Vega, Oscar Volij, and Federico Weinschelbaum

Discussion Paper 21-07

We show that it is possible to incorporate any appropriation technology available to thieves into a Walrasian economy so that in equilibrium more police induces more crime. This perverse effect could arise even if the level of police protection is the socially optimal one.

**OPTIMAL SEEDINGS IN INTERDEPENDENT CONTESTS**

Chen Cohen, Ishay Rabi, and Aner Sela

Discussion Paper 21-08

We study a model of two interdependent contests, each of which includes two heterogeneous players with commonly known types. The winners of both contests have a common winning value that depends on their types and, therefore, endogenous win probabilities in each match depend on the other contests’ outcomes through the identity of the winner. The designer seeds players according to their ranks, and we assume that he wishes either to maximize or minimize the total effort. For such interdependent contests we consider two different types of a winning value function in order to demonstrate how its type plays a crucial effect on the structure of the optimal seeding.

**VII. RESEARCH SUMMARIES OF CENTER MEMBERS**

**Suleiman Abu-Bader**

Dr. Abu Bader’s research interests deal with the application of econometric techniques to study macroeconomic relations. He investigates growth-related issues in the Middle East as well as the relationship between economic growth, globalization, income inequality, and poverty in developing countries. His current research is focused on studying the relationship between ethnic/religious polarization, foreign military intervention, and civil conflicts, with special focus on the MENA region. At present, he is conducting the first socio-economic survey among the Arab-Bedouin community in Southern Israel.

**Aamer Abu-Qarn**

Dr. 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 Israeli-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 labor market, health, and education outcomes.

**Ofer Azar**

Ofer Azar’s main research areas include behavioral economics, experimental economics, industrial organization, and strategy. His recent research has focused on several particular topics. One is to examine experimentally the bias of relative thinking in the context of how people make decisions between differentiated products and how workers respond to certain types of incentives. Another is to analyze how firm strategy should respond to the consumer bias of relative thinking. Some other recent research studies analyze the behavior and decision-making of sports players and the dishonesty of children in math competition and of restaurant customers who receive too much change that can either be returned or kept.

**Tanya Baron**

Tanya Baron is a labor economist. Her primary research interests include individual career progression, inequality and the impact of business cycles on the labor market. In one ongoing project she studies the life-cycle gender wage gap and its components (in collaboration with Noriko Amano-Patino and Pengpeng Xiao). Another field of interest is the formation of human capital, and she has an ongoing project (in collaboration with Analia Schlosser and Elad Demalach) that studies the impact of public preschool attendance on the human capital development of Arab children, both in short- and long-term. Finally, Tanya was involved in the research related to COVID19 pandemics, with two papers (on correct epidemiological modelling in Economics and on cyclical lockdowns) produced in collaboration with Eran Yashiv and Ofer Cornfeld.

**Nadav Ben Zeev**

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 macroeconometric methods. Currently, he is mainly studying the role of changes in expectations about future investment-specific technology in the business cycle. He is also engaged in another project that studies the role of changes in expectations about fiscal policy in the economy.

**Tomer Blumkin**

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 year, Tomer has been engaged in a fascinating research agenda (the project has been funded by a two-year ISF research grant, jointly with D. Lagziel) which explores the positive foundations of pay secrecy arrangements in labor contracts and the normative justification for regulation that promotes pay transparency. 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 work-hours and commodity taxation, as means to control the signaling incentives of the agents and thereby promoting redistributive goals. Tomer continued his ongoing empirical work with two Finish 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 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.

Danny Cohen-Zada

Prof. Cohen-Zada’s research deals with the economics of education, the economics of religion, and the economics of sport. Currently, he is studying how school choice affects student educational and behavioral outcomes. In another project he estimates the long-run effects of school entrance age on student performance. His research in sport economics deals with how the efforts of one player in a team affects the efforts of the other players.

Ran Eilat

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.

Ezra Einy

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.

Koresh Galil

Dr. Galil’s research interests focus on empirical finance and credit risk. His current projects include empirical examination of quality trends in corporate ratings, the relationship between market power and trade credit and anomalies in fixed-income derivatives markets.

Naomi Gershoni

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.
Ada González-Torres
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).

Mark Gradstein
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.

Ori Haimanko
Prof. Haimanko currently studies robustness of equilibria and continuity of equilibrium correspondences in games with incomplete information, axiomatizations of value maps for cooperative games and of power indices for voting games.

David Lagziel
Dr. Lagziel’s research lies in the fields of game theory, mechanism design, and economic theory. His studies on game theory and mechanism design focus on contests and auctions (namely, credit auctions, manipulation in contests, and incentive schemes for portfolio managers). A significant part of his current research deals with screening problems, where uninformed decision-makers screen elements based on noisy unbiased assessments. Dr. Lagziel’s research work on economic theory deals with wage secrecy in labor contracts. His research collaboration with Prof. Blumkin aims to study the implications, advantages, and disadvantages of employing a wage-secrecy policy in labor contracts.

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 various student outcomes. Another direction of her research is California’s Paid Family Leave Program and its effect on birth timing as well as on child health outcomes. Some of her current projects make use of public transportation data from Israel in order 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.

Oren Rigbi
Dr. Rigbi’s main research interests are applied microeconomics, industrial organization, and law and economics. Much of his time is devoted to investigating the economics of the Israeli food markets with emphasis on the effects of price transparency, the nature of
vertical relationships, and the evolution of the competition in the online segment. In the past, he studied alternative credit markets including person-to-person markets and online charitable giving markets in developed and developing countries. In addition, he explored how the structure of law enforcement agencies affects their activities and crime. He is currently serving as the head of the research division at the Israel Competition Authority.

**Edna Schechtman**
Prof. Schechtman's research is directed towards the use of Gini in various areas of statistics, starting with the Gini correlation, moving to Gini’s simple and multiple regressions, and finally analysis of Gini (ANOGI). Another direction is using Gini for time-series data by replacing the variance and its related parameters with the Gini and its related parameters.

In a recent paper, she (together with Dr. A. Shelef) showed that while the Pearson correlation coefficient is sensitive to the time interval used for reporting outcomes in a multiplicative model, the Spearman correlation tends to a limit when the time interval increases and therefore its use is recommended.

**Aner Sela**
Prof. Sela’s research concerns optimal designs of contests and auctions.

**Ity Shurtz**
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.

**Karine van der Beek**
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.

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

**David Wettstein**
Prof. Wettstein's current research focuses on 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; patent policy; and innovative activity.

**Ro’i Zultan**
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 more broad issues of cooperation and behavior in teams. He is also interested in some basic game theoretical issues, experimental auctions, and experimental methodology.