

The Research Council of Norway
Midterm evaluation of eight Centres of Excellence, SFF-II

Experts' appraisal form and panel report

Project no.: 179552/V10 Handled by: Janike Harsheim Activity: SFF (CoE)

Project Owner/ Økonomisk institutt
(Host institution): Universitetet i Oslo
Project manager: Professor Karl-Ove Moene
Project title: Centre for the study of Equality, Social Organization and Performance (ESOP)

This panel report is based on prepared background material for this centre:

A Fact sheet

B Self-evaluation

C Host institution assessment

D Plan for second five-year period, including exit strategy

[Terms of reference](#) (26 May 2010) presents the framework for the evaluation and the mandate for the evaluation committee.

[The evaluation process](#) (June 2010) cf. section 3.3.

This evaluation form is divided into five sections:

Section I: Research achievements
Section II: Organisational and administrative aspects
Section III: Research plans for the future five-year-period
Section IV: Overall assessment
Section V: Description of terms

Section I: Research achievements

(The fields to be completed expand automatically on entering a new line).

I 1. Research quality (cf. Terms of reference, section 1.4.2)

Has the centre's research been at the forefront of developments in its field, leading to outstanding research results and a new understanding that has affected national and international research in the field?

Expert's assessment: The centre's scholars have made major contributions in many areas, including political economy, labor markets, environmental economics, immigration, economic development, microeconomic theory and culture. The scholars at ESOP have made important links between the analysis of social insurance and wage-setting institutions by producing analyses that integrate the study of union behavior and political economy. Moreover, ESOP scholars have integrated the study of income inequality with the positive economics of government behavior, again producing new research that is expanding the field. Much of this research is being published in top academic outlets. Given that funding for ESOP began in 2007 and given the lags in publication, this is quite impressive. We are particularly impressed by the high quality of the papers. We have seen two of the recent papers presented --by Moen and Rosén and by Heathcote, Storesletten, and Violante. Both are outstanding, and we note that both

will appear in very top economics journals. The centre's efforts have the potential to affect international research, and the fact that several of its papers are already widely cited is a good sign that it eventually will. On the national dimension, it is difficult to make a conclusion because a large percentage of Norwegian economists producing research are already affiliated with ESOP.

I 2. Publications (cf. A2 and B1.2)

Has the centre's publications been satisfactory, both in quality and scope?

Expert's assessment: The quality of the centre's publications is very high. This judgment is based on their placement in leading general economics journals such as the American Economic Review, American Economic Journal, Journal of Political Economy, the Review of Economic Studies, the Economic Journal, Economica, and the Review of Economics and Statistics as well as top specialty field journals such as the Journal of Labor Economics and the Journal of Public Economics. This is well illustrated by the five papers listed in Section B1.2. They are all excellent and show the broad scope of the research being done at ESOP with respect to the countries and types of economies studied. Moreover, many of the centre's papers have become widely cited even after only a few years since publication. The scope is impressive, spanning traditional labor economics, culture, microeconomic theory, political economy, environmental economics, and economic development. It is also apparent that the researchers at ESOP have not limited themselves to academic publications, but have also disseminated their research results more broadly. We note the many popular science articles as well as the publications in the news media.

I 3. Milestones (cf. Agreement document, A8 and summary in B)

Has the centre reached its original milestones?

Expert's assessment: The centre has surpassed its goals with respect to recruitment of new Ph.D. students and post-docs. The centre's main milestone as described in B.1.3 was "to produce excellent research and to publish first class publications." As noted above, researchers at ESOP have published many papers in well-respected economics journals. Several are in very top journals and many will have an important impact on future research. Moreover, through its program of regular seminars, conferences, and prestigious visiting scholars and close ties to the Economics Department, the centre has created a presence that has elevated economics at the University of Oslo. The centre has also done well in creating an environment that is conducive to research by women and about gender equality.

I 4. Collaboration (cf. A5, B8, B9, C2 and C3)

Has the centre's national and international collaboration strengthened the research performed at the centre?

Expert's assessment: The centre has instituted some very promising formal international organizational collaborations that will likely yield considerable dividends both from a scholarly point of view and from the point of view of future funding opportunities.

Particularly advantageous are the GRASP collaboration, tying the centre in with the EU's research agenda and the collaboration with the Indian Statistical Institute to study sustainable development, which has the potential to position the centre as a unique contributor among Western research organizations. Collaboration between ESOP researchers and others in Norway and abroad has greatly strengthened the research performed at ESOP. There is clearly work being done with others at the University of Oslo as well as at neighboring institutions. This is apparent from the publication list and the fact that some of the adjunct faculty at ESOP are from other institutions. The large volume of high quality publications produced with co-authors who are outside of the centre constitute concrete examples of strengthened research that has resulted from collaborations, although most of this joint work is done with researchers outside Scandinavia. This strengthens the research done at ESOP and also broadens its visibility. We note, however, that the number of actual visitors in residence, as opposed to seminar and conference visitors, is relatively low compared to other European economic research organizations. In addition, much of the research has moved away from a specific consideration of the "Nordic model".

I 5. Researcher training (cf. A3, B3 and C1)

Has the centre's researcher training been sufficient and of an international standard?

Expert's assessment: The centre has exceeded its plan with respect to researcher training. It originally planned to employ 15 PhD students, but because of its collaboration with the Department of Economics and other institutions had 35 PhD students. It also employed 9 postdoctoral fellows. Four PhD students are listed as having finished PhD degrees on centre projects. The centre has thus allowed for an expansion in funding of Ph.D. students in Economics. The program appears rigorous and produces a set of well-trained researchers. Several recent Ph.D.'s (who finished their program after the centre was established) have already published their research in prestigious journals such as the American Economic Journal, the Scandinavian Journal of Economics, and the Journal of Public Economics, suggesting that the program is indeed rigorous. Moreover, the many seminars, workshops, conferences, and funded international visiting scholars made possible by the centre have greatly enriched the research environment for graduate students. A major hurdle for graduate students in Economics is to make the transition from taking classes and examinations to conducting original, publishable research. One of the best ways to learn how to do and present research is to see successful scholars present seminars. Expansion of the seminar series in Economics and organizing conferences are two of the most important activities of the centre in this regard. The centre has greatly contributed to a culture of research that will benefit the Ph.D. students for years to come.

I 6. Recruitment (cf. A3, B3 and C1)

Has the centre been able to attract good foreign researchers, doctoral students, postdocs and senior researchers?

Expert's assessment: The centre has been able to attract excellent senior researchers. It has also been able to recruit doctoral students and postdocs. It has been particularly successful in attracting foreign researchers to give seminars and to stay for short visits. In addition to the well-known staff members Raquel Fernandez, Åsa Rosén and Fabrizio

Zilibotti, the centre has attracted many very distinguished foreign visitors or international network members including Assar Lindbeck, Abhijit Banerjee, Stephen Nickell, David Autor, Daron Acemoglu, and Nobel Prize winner Joseph Stiglitz. We note, however, that most of the Ph.D. students and post-docs, as well as the regular senior research staff are Norwegian.

I 7. Gender equality (cf. A4, B4 and C8)

Has the perspective of gender equality been adequately taken into account in the centre's recruitment policy? Has the special funding by RCN to improve gender equality had the expected effect? Has the centre succeeded in its objectives and measures concerning gender equality?

Expert's assessment: The centre has taken many impressive steps toward gender equality, including appointing female faculty, establishing a prize for gender-related research, and funding thematic lectures on women in economics. Of the 19 Ph.D. students, 11 were women (58%), and 7 of 34 research staff members were women (21%). Three senior women have been recruited as adjunct professor and another woman is a senior researcher. This is important as there has been a shortage of senior women in academia in Scandinavia. The centre has supported short visits for various female researchers. In addition, it has organized workshops on gender equality and established a prize for master theses on gender related topics. The centre does seem to have taken the mandate to improve gender equality quite seriously. As a benchmark, according to the American Economic Association's Committee on the Status of Women in the Economics Profession (CSWEP), in 2009, 33.5% of new Ph.D. students, 16.9% of tenure track faculty, and 24.2% of all faculty in Economics in the United States were women (2009 Report of the Committee on the Status of Women in the Economics Profession, available at: <http://www.aeaweb.org/committees/cswep/>). Thus, the centre has a far higher level of female representation among Ph.D. students than is the case in the US, while female representation among research staff is similar to female faculty representation in the US. In recent years, female representation has increased at the centre, likely in part due to its active measures.

I 8. Industrial, social and cultural dividends (cf. A9, B1.4 and C8)

Have the centre's research results, in addition to their scientific value, opened opportunities for important industrial, social or cultural dividends?

Expert's assessment: The centre's research theme of reconciling the welfare state and the world economy has the potential to affect our thinking about these issues by challenging a kind of Western orthodoxy that unregulated markets work best. In this context, its researchers are examining the viability of generous welfare states and the interaction between government policies and economic, social and political outcomes. While this research effort is of scientific value, it will also inform public debate on the role of government in the economy. The centre's active participation in public, non-academic forums will foster this role. This potentially has great value by affecting the social policy debate and thus can have social and cultural dividends. Some of the research on worker security can have an influence on organization of workplaces.

I 9. Research plan (cf. A9, B introduction, B11 and C8)

Has there been changes in the research relative to the plan, and have these changes led to better research?.

Expert's assessment:

The centre has continued to concentrate on the research outlined in its plan, although, as discussed below, new issues have arisen in the world economy that will affect the centre's future research agenda.

Section II. Organisational and administrative aspects (ce. Terms of reference 1.4.5 and 1.4.8)

(The experts should limit their comments to points allowing assessment based on the information provided)

II 1. Governance and organisation (cf. A6, B5, B6, C4 and C5)

Has the centre's form of governance and organisation contributed to the efficiency and quality of research?

Expert's assessment:

The governance of the centre, which involves Moene, Mehlum, and Elgvin, seems to work quite well. The centre's governing structure appears to be in practice relatively informal, with the Director having considerable authority on a day-to-day basis. This has the potential to create a very efficient level of operation, with a lot of consensus-based decision making. From our experience, this should lead to a more productive research environment, but the documents we received were not very specific about the ways in which the governance structure has enhanced the research environment.

II 2. Cooperation (cf. B8, C2. Names of Consortium participants: Agreement for the CoE article 4.3)

Has the relationship between the centre, the host institution and any partners functioned smoothly, and has the centre's research led to mutual enrichment of the overall research environment?

Expert's assessment: The close collaboration between the Economics Department and the centre has been extremely beneficial for both parties. The centre has added to an already strong Economics unit at the University of Oslo and greatly enhanced the experience for faculty and students who were already there. The Economics Department is very supportive of the level of cooperation between itself and the centre. There are several ongoing projects with other collaborating organizations, further indicating that these relations are mutually beneficial. The joint seminars and collaboration help the Economics Department as well as the centre. This is particularly valuable for the PhD students and post docs, but improvement in the research environment benefits all the faculty as well. It should be pointed out, however, that there is a possibility for conflicts of interest between the Department and ESOP should there be budget problems. For example, the Department may want to shift some personnel costs to ESOP. Having formal ESOP representation in the governance of the Department would be helpful in this regard.

II 3. Leadership (cf. A3.1, A7.1, B5, B6, B8, B10, C5 and C7)

Has the head(s) of the centre done a satisfying job, both as a researcher(s) and a manager (s)?

Expert's assessment:

The Director, Karl Ove Moene, has done an excellent job of advancing the centre's reputation and, with his leadership team, managing the operation. This can be seen by the excellent relationship between the host institution and the centre. It is quite clear from the host institution assessment that it is quite pleased with his leadership. Moene has also continued to produce high-quality research. As a leading researcher himself, he is in a great position to make choices that are academically sound and has done so both in recruiting researchers and selecting topics for conferences and seminars. He has appropriately delegated many administrative tasks to other staff, including the administrative manager, while using his management team for strategic decision-making.

II 4. Premises and equipment (cf. A7.2, A9, B7 and C6)

Have the premises and equipment been satisfactory?

Expert's assessment: The location of the centre, being in the same building as the Economics Department, has been a major advantage, allowing for considerable interaction among economists. It also allows for joint seminars and is particularly beneficial to the PhD students for whom access to other Economics Department faculty is important. An advantage of being part of the Economics Department is that the centre has access to University-level IT services and research infrastructure.

Section III. Research plan for the future five-year-period (cf. Terms of reference, Section 1.4.4 and D)**III 1. Research plan** (cf. D)

Have all segments of the research plan original, ambitious, though realistic goals, or does the research plan represent an automatic continuation of ongoing research?

Expert's assessment: The original research plan was very ambitious in that the centre outlined a research agenda attempting to answer basic and fundamental questions about welfare states, economic inequality, political economy, new institutional economics, economic development, and behavioural economics. The future research plan proposes to continue these areas, which is entirely appropriate given their importance and broad scope. At the same time, since the original proposal on which the centre is based was written, the world has undergone a major financial crisis, with severe recessions in many countries. The viability of the welfare state has come into question, and an important proposed activity for the centre's renewal period is to confront this issue directly. A focus on the sustainability of generous welfare states is more relevant in a time when many countries are cutting back on social programs. It is also important because some of the emerging countries such as China and India are working to put into place social

programs and the Nordic lessons can be important for them.

III 2. Methods and equipment (cf. D)

Are the proposed methods and equipment adequate and necessary?

Expert's assessment: The proposed renewal plan will maintain the same types of operations as those which the centre has conducted during its first five years. The methods and equipment worked well for the first 5 years and seem to be adequate for the continuation of the centre.

III 3. Research results (cf. D)

Will the centre's future research have a chance of producing innovative findings, and will the centre continue to be an international leader in its field?

Expert's assessment: Given the centre's track record of producing very high quality research in its core areas and its ability to attract top-level collaborators, the centre's leadership role will likely expand during its renewal period. Its proposed research touches on cutting edge areas in Economics including the endogeneity of institutions, behavioural economics, culture, and political economy, and the centre is well-positioned to continue its important contributions in these areas. There is every reason to believe that the centre's future research will be just as successful in the next few years in producing innovative findings. Given that there is now an established centre at Oslo for this research, we would expect that the research in the next 5 years will be even more successful. In addition, the reputation of the centre as a leader in this field should certainly continue.

III 4. Research plan (cf. D3-8)

Is the centre's researcher training sufficient in scope and quality, and have measures been instituted to the recruitment of younger researchers?

Expert's assessment: The centre was extremely successful in recruiting new Ph.D. students during its initial period of operation. It will therefore appropriately reduce its rate of future enrollments but at the same time will add to its roster of post-docs. This will allow the centre to continue to offer high-quality Ph.D. training to its stock of Ph.D. students. As noted, the fact that its Ph.D.'s are publishing in prestigious journals speaks well for the program's quality.

III 5. Gender perspective (cf. D3)

Have measures been instituted to ensure the gender perspective in recruitment?

Expert's assessment: The measures taken to promote gender equality are impressive and should ensure that the gender perspective in recruitment is taken seriously. As mentioned above, the centre has done very well in recruiting female Ph.D. students and has added female faculty as well. While the proposed renewal will encourage female applicants for both students and research staff, the reduction in the enrollment of new

Ph.D.'s and the stable size of the research staff will limit the degree to which the gender composition of the centre can change. However, the encouragement of research on gender issues, both through the research prize and seminars will help shape the type of research the centre will conduct. ESOP should of course not compromise the quality of its admissions, and there is no indication that it has done so in its efforts to expand female representation.

III 6. International collaboration (cf. D5)

Is the proposed international collaboration sufficient in scope and quality?

Expert's assessment: The prospect for increased collaboration with India promises to be very exciting, and the centre's existing relationships with the EU and with Finland will continue to produce high quality collaborations. We note that such collaborations could be expanded in the second five year period.

III 7. Researchers from abroad (cf. D4-5)

Is the centre in the position to attract good researchers from abroad?

Expert's assessment: The centre has attracted some excellent researchers from abroad and should be able to continue to do so. However, the plan for visitors seems weighted toward short term visits, conferences, and seminars in preference to the kind of longer term stays that may build more permanent relationships with scholars and institutions outside ESOP. While the list of international scholars who have had short stays or given seminars is indeed very impressive, the number of foreign long term visitors or affiliates—even Scandinavian visitors from outside Norway—is relatively low in comparison to similar organizations in other countries.

III 8. Organisation (cf. D6)

Will the organisation of the centre continue to translate into a high level of efficiency and good relations with the host institution and partners?

Expert's assessment: The Economics Department's assessment of the organization of the centre was very positive, particularly with respect to its efficiency and collegiality. This will certainly continue. The impression that we have is that the organization of the centre with its close collaboration with the Department of Economics has led to an efficient centre with excellent relations with the host institution.

III 9. Exit strategies (cf. D7)

Have the centre and host institution made satisfactory plans for the centre's activities when the SFF-status and RCN funding expire at the end of the 10-year period? How realistic are the plans? How well do the plans accommodate the goals of taking care of the long term investment that the centre represents?

Expert's assessment: The centre plans to wind down its recruitment of new researchers

as the end of the second five year period approaches. This is appropriate and realistic. The fact that ESOP has been an integral part of the Department of Economics sets the stage for a smooth transition when the funding from RCN finishes. It would be a shame if, after the resources were spent to develop ESOP, its work did not continue and if the competence developed were not used. The fact that the Department of Research Administration has allocated 2MNOK each year after the expiration of the funding from RCN will aid in sustaining the ESOP work within the Department of Economics, although that level of funding may not be sufficient to assure that everyone will remain employed. Though it is 5 years in the future, we suggest that more attention be given to this issue given the size of the center. Many of the activities the centre has been able to direct, including inviting visitors, scheduling seminars, and planning conferences, as well as research collaborations with other organizations and individual researchers, will be able to continue.

Section IV: Overall assessment (1/2 – 1 page) (cf. Terms of reference section 1.2 and 1.4)

Overall assessment (cf. A-D)

Please provide an overall assessment of the elements evaluated above. Indicate the most important strengths and weaknesses of the centre's achievements so far and with respect to the proposed plans for the second five year period. Please sum up your impression by applying the appropriate terms given in Section V.

Expert's assessment: The centre has assembled an excellent group of scholars—a large group of some of the best economists in Norway. Its standard bearers have achieved a position of international leadership in the areas of culture, growth, the study of wage setting institutions, and social insurance systems. Judging by publications in leading international journals such as the American Economic Review, Journal of Political Economy, Quarterly Journal of Economics, Review of Economic Studies, and the Economic Journal, the centre's researchers have amassed an exceptionally good research record. In addition, the researchers have disseminated this research in more popularly read outlets, contributing to the public debate on economic policy. Moreover, their work is highly cited, as the centre has two members in the top 3% of publishing economists in the world, with an additional 4 in the top 10%, as assessed by the web site Research Papers in Economics (<http://ideas.repec.org/top/top.person.all.html>). These rankings are based on an average of publication and citation ranks taking into account coauthorship and the quality of the publication. Additionally, several of its young scholars are doing exciting research on topics such as inequality, demography, education, and perceptions of fairness. Several of these younger researchers received their Ph.D.'s from the University of Oslo after ESOP was established, and they are publishing their research in excellent international journals as well. The centre has thus made an important contribution to the graduate program at the Economics Department at the University of Oslo. By being integrated with the Economics Department and physically located with the Department, it has also contributed to the general research environment there. Further, the research produced by the scholars at the centre has contributed to our understanding of the Nordic model and to how its lessons can be used by others.

The plan for the renewal period is to continue the centre's vigorous activities in research, and in planning seminars and conferences, as well as forming partnerships with international organizations. It will understandably cut back on the number of new Ph.D.'s it produces. As it prepares for reduced funding after the end of its second five year period, the centre may find that it needs to cut back its activities to concentrate on its core strengths in the areas of culture, inequality, political economy, and welfare state economics.

One suggestion we have for the renewal period is to increase the presence of foreign scholars in the daily life of the centre. While the list of international scholars who have had short stays or given seminars is indeed very impressive, the number of foreign long term visitors or affiliates—even Scandinavian visitors from outside Norway--is relatively low in comparison to similar organizations in other countries. We believe that longer term visits by such scholars and more international conferences, such as the upcoming Workshop on Gender to take place May 2011, will create more lasting ties to the international research community.

Our overall evaluation, based on the terms in Section V, is 'Exceptionally good.' This is based on the quality of the centre's research, although as we have mentioned above, the centre could improve its level of international cooperation."

Section V: Description of terms

When summing up the overall impression (cf. Section IV), the experts are asked to apply the following set of terms for describing the level of quality:

Exceptionally good – International front position, undertaking original research and publishing in the best international journals. High productivity. Very positive overall impression of research group/centre and leadership.

Very good – High degree of originality, a publication profile with a high degree of international publications in good journals. High productivity and very relevant to international research or to Norwegian society. Very positive overall impression of research group/centre and leadership.

Good – Contribute to international and national research with good quality research of relevance both to international research development and to Norwegian problem solving. Good balance between international and national publications. Acceptable productivity. Positive overall impression of research group/centre and leadership.

Fair – The quality of research is acceptable, but international publication profile is modest. Much routine work in design and publication. Relevance and productivity of research is not exciting. No original contributions to research knowledge. Overall impression is positive but with a distinct degree of scepticism from the evaluator.

Weak – Research quality is below good standards and the publication profile is meagre. Only occasional international publication. No original research and little relevance to problem solving. No overall positive impression by evaluator.

