REGENSBURGECONNEWS

NEWSLETTER 2019-27

CALENDAR:

Departmental Seminar
Christian Traxler (Hertie School of Governance):
Salience, Simpli Cation, and Timely Compliance

Monday, December 2
16:30-18:00
H26

IOS Seminar
Vladimir Otrachshenko (IOS Regensburg):
Institutional Quality and Environmental Goods Preservation

Tuesday, December 3
13:30-15:30
WIOS 109 (Landshuter Str.4)
Special Room

Lunch Seminar
David Domeij (Stockholm School of Economics):
Money Demand Recessions

Wednesday, December 4
12:00-13:30
H26

ABSTRACTS:

Departmental Seminar

Christian Traxler:

Salience, Simpli Cation, and Timely Compliance

Abstract: This paper studies the effects of salience, simplification and economic incentives on timely, pre-deadline payments of fines. We start from a simple theoretical framework. Individuals receive a payment notification and decide if and when to pay. Paying after a deadline triggers a late fee. However, neither the payment deadline nor the late fee may be fully salient. Simplified payment notifications that make these two aspects more salient can then increase timely compliance. The effect of higher fines (which proportionally increase the late fee) remains theoretically ambiguous. Using pre-registered empirical strategies, we evaluate the effects of increased salience and higher fines in a randomized controlled trial (RCT) and a regression discontinuity design (RDD). The RCT varied the inclusion and content of simplifying cover letters in nearly 80,000 speeding tickets. The cover letters, which augmented regular summons (a convoluted legal text with the payment notification), made the payment deadline (15 days), the late fee or both salient. Consistently with our theoretical predictions and survey evidence on the treatments' impact on (mis-)perceptions, we find that emphasizing the late fee increases the rate of timely payments (+1pp relative to a baseline of 78%). The effect is stronger when both, late fee and deadline are made salient (+2pp). Only stressing the deadline had no significant impact. These quantitatively small effects (ATE) are then compared with the impact of traditional economic incentives. An RDD, which explores a major discontinuity in the fines for speeding above a certain speed cutoff, documents a sizable negative effect (LATE): a 70% increase in the payment obligation triggers a 5pp drop in timely compliance. The implied semi-elasticity is very similar to estimates from other domains on non-compliance. We conclude that the level of payment obligations has a larger impact than our simplification nudges. The latter are nevertheless cost-effective tools for increasing timely compliance.

IOS Seminar

Vladimir Otrachshenko:

Institutional Quality and Environmental Goods Preservation

Abstract: This paper examines how the perception of institutional quality by the Russian citizens affects the willingness to pay for the preservation of environmental goods and services. The motivation is drawn from an environmental preservation problem involving the natural unique landscape at risk in Russia. Using the uniquely collected data from the field experiment, we elicit the willingness to pay for the preservation of the unique glass beach in the Far East of Russia. For this purpose, we apply for stated preference technique. In order to capture the perceived institutional quality, we also collected the answers to a set of follow-up attitudinal questions, addressing different reasons related to lack of trust in institutions, fairness issues with respect to the distribution of the burden of preservation, acceptance the vehicle of payment, and preservation for future generation. Our findings suggest that citizens are willing to pay for the preservation of environmental goods and services in Russia to preserve them for future generations. Another finding is that institutional mistrust and poor local governance are the main obstacles for citizens' willingness to pay.

Lunch Seminar

David Domeij:

Money Demand Recessions

Abstract: We argue that economic recessions can be caused by increased demand for money. In our model, money is defined broadly as a nominal asset, such as currency and government bonds, that is tightly linked to the unit of account and is not backed by voluntarily pledged real incomes. Our leading case investigates an increase in money demand that is due to a bursting asset price bubble. A recession is best averted by expanding the broad money stock to a permanently higher level. By contrast, under the actual policies pursued during the Great Recession, our quantitative model emulates the observed crisis.

NEWS:

Top 40 unter 40

Im "Top 40 unter 40"-Ranking des Magazins Capital finden sich in der Kategorie "Wissenschaft und Gesellschaft" gleich zwei ProfessorInnen der Fakultät für Wirtschaftswissenschaften: JProf. Dr. Julia Klier (Institut für Wirtschaftsinformatik) und Prof. Dr. Enzo Weber (Institut für Volkswirtschaftslehre und Ökonometrie). Mehr Informationen finden sich hier: https://t1p.de/k3gk. Herzlichen Glückwunsch!

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