BONN ECON NEWS

July 15–19, 2024

Overview

Workshops and seminars
    Monday, July 15, 2024
        ECONtribute LawEcon Workshop
            J. Shahar Dillbary (George Mason University, Scalia Law School)
            "Reformulating Detection in the Economic Model of Crime: Probability Scaling and Group Punishment"
    Tuesday, July 16, 2024
        ECONtribute LawEcon Workshop
            Markus Dertwinkel-Kalt (Westfälische Wilhelms-Universität Münster)
            "German Energy Policies in the Energy Crisis: Theory and Evidence on Firm and Household Responses"
    Friday, July 19, 2024
        Bonn Macro Internal Seminar
            Zheng Gong (University of Bonn)
            "Decomposing HANK"

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Workshops and seminars

Monday, July 15, 2024

ECONtribute LawEcon Workshop

J. Shahar Dillbary (George Mason University, Scalia Law School)	"Reformulating Detection in the Economic Model of Crime: Probability Scaling and Group Punishment"

Coauthor
Thomas J. Miceli

Time
11:00–13:00 CET

Location
West Tower, Institute for Commercial and Economic Law, Seminar Room 1.016

Abstract
A central prescription of the standard economic model of law enforcement is to couple a maximal sanction with a low probability of detection—so called "probability-scaling." As a positive matter, this policy is at odds with the way actual law enforcement is carried out. This article reformulates the canonical model to bring it more in line with the way the criminal justice system actually operates. In the process, we make a number of important contributions. First, we show that the maximal sanction conclusion is in part a consequence of the way in which the detection of offenders has been modeled. Second, we show that an alternative approach—one which more realistically describes how detection occurs—generally does not yield a maximal prison term. Third, a logical extension of this alternative approach reveals that "group punishment"—i.e., the punishment of a group of suspects that may harbor the true offender—can be a part of an optimal enforcement policy. Thus, in addition to choosing the level of expenditure on enforcement (which determines the probability of apprehension) and the severity of the sanction, the enforcer can also choose the size of the pool of suspects that will be subject to punishment. We show that a narrow focus on resource efficiency may lead enforcers to punish at random, and we offer several examples of such random individual and group punishment methods.

Tuesday, July 16, 2024

Bonn Applied Microeconomics Seminar (CRC TR 224 Seminar), presenter: Kristóf Madarász, is postponed to november 2024

ECONtribute LawEcon Workshop

Markus Dertwinkel-Kalt (Westfälische Wilhelms-Universität Münster)	"German Energy Policies in the Energy Crisis: Theory and Evidence on Firm and Household Responses"
Coauthors Axel Ockenfels, Matthias Sutter, Christian Wey **Time** 18:00–19:15 CET **Location** Juridicum, Reinhard Selten Room (0.017)	**Abstract** We investigate both theoretically and empirically the effects of German energy policies in the recent energy crisis. We focus on the gas price brake and show that firms had an incentive to exploit this transfer scheme. Using a cross-country difference-in-differences approach, comparing Germany and Austria, we confirm the theoretical predictions and show that the gas price brake led to a substantial increase in gas prices. Unlike firms, a large majority of consumers do not understand the incentives arising from the gas price brake. While gas savings during the crisis were substantial, consumers' willingness and ability to respond to marginal individual economic incentives contributed little to overall gas savings.

Friday, July 19, 2024

Bonn Macro Internal Seminar

Zheng Gong (University of Bonn)	"Decomposing HANK"
Time 16:30–17:30 CET **Location** Kaiserplatz 7–9, Room 4.006	**Abstract** ---