

IAB-Colloquium

zur Arbeitsmarkt- und Berufsforschung

Einladung
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The Impact of Cooperation Defaults on Voluntary Contributions to Public Goods

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Pre-specified choice options and other non-binding regulations—so-called default rules—are prevalent in many important decisions of economic and social life. Essentially all economic transactions that are subject to contractual freedom take place against the background of a system of legal default rules which hold until the parties contractually specify different terms. This paper reports evidence from an experiment that was conducted to test the influence of non-binding default rules on voluntary cooperation. We find that contributions to a public good increase significantly when a cooperative default is implemented. Non-binding defaults particularly influence contribution decisions of participants with lower levels of cognitive reflection whereas contributions of participants with high CRT scores are virtually unaffected. Compared to an environment with uncooperative contribution default, cooperative default options increase subjects' earnings independent of their individual levels of contribution. This suggests that cooperation defaults can potentially be used as a welfare-enhancing policy in the spirit of “libertarian paternalism”.

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13:00 Uhr

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