

# 応用ミクロ経済学セミナー

## The Timing of Choice-Enhancing Policies

This paper analyzes welfare consequences of choice-enhancing policies when a firm can change its strategy in response to the policies. In the model, a firm automatically enrolls consumers in a service and potentially exploits procrastination on their switching decisions. We show that a conventional policy—which decreases consumers' switching cost when they sign a contract—can be detrimental to consumer and social welfare.

This is because sophisticated consumers are more likely to opt out of the service under the policy, and in response to that, the firm may increase its future prices for the service to exploit unsophisticated consumers. In contrast, an alternative policy—which decreases consumers' switching cost when the firm charges a higher price for the service—does not have such a perverse effect of selecting unsophisticated consumers, and hence can increase consumer and social welfare. Our results highlight that the timing of facilitating an active choice matters when firms can respond to a policy.

**Speaker : Takeshi Murooka**  
**(University of Munich)**

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Faculty of Law and Faculty of Economics East Bldg.  
Refresh Room (on 8th floor)

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