Dr Ansgar Wohlschlegel, Portsmouth University: Abstract for seminar on 8 March 2017

Bunching on the Autobahn: Speeding responses to a 'notched' penalty scheme (joint with C. Traxler and F. Westermaier)

Abstract:

This paper studies drivers' responses to a 'notched' penalty scheme in which speeding penalties are stepwise increasing with discontinuous jumps at several speed levels. We first present survey evidence suggesting that drivers in Germany are very well aware of the notched penalty structure. Based on a simple analytical framework we then analyze the impact of the notches on drivers' optimal speed choices. The model's predictions are then confronted with data on more than 150,000 speeding tickets from violations occurring on the German Autobahn. The data provide evidence on bunching: many drivers who speed still stay below a penalty notch. For major speed limit violations, however, we do not detect bunching. The paper further explores the impact of a recent policy reform and discusses the normative implications of our findings.