Jean Robert Tyran (co-authored with Rupert Sausgruber):
Democracy, Disincentives and the Demand for Redistribution

We develop a new design to measure the disincentive effects in labor supply in a laboratory real-effort task. We study disincentives from taxing work and redistributing tax revenues per capita when redistribution is imposed vs. chosen in a vote. We find that redistribution is popular, and that disincentives are significantly smaller when redistribution is chosen in vote. That is, the efficiency cost of redistribution is smaller (and tax revenues are higher) when taxation and redistribution is supported by a vote.