

論文要旨説明書

報告論文のタイトル : Subsidies and Self-funding

報告者・共著者 (大学院生は所属機関の後に (院生) と記入してください。)

報告者氏名 : 新井泰弘

所属 : 高知大学 人文社会科学部

共著者 1 氏名 : 河村耕平

所属 : 早稲田大学 政治経済学部

共著者 2 氏名 :

所属 :

論文要旨 (800 字から 1200 字、英文の場合は 300 から 450 語)

Many subsidization schemes require the recipients to bear a fraction of the total cost of a proposed project. This can be implicit, as in cases where applicants are required to present some evidence of quality in the form of a prototype model or pilot study, which may well be costly to develop and often have to be self-funded. A requirement for partial self-funding can also be explicit, as observed in “matching funds” that are used to subsidize projects by private firms, universities, and not-for-profit organizations.

When a funding body provides funding to charities, universities, private firms or individuals, there are at least two important economic questions, namely i) whether the proposed project generates enough value (positive externalities) for society; and ii) whether the project genuinely requires public funds to be materialized especially when the applicant has at least some self-funding capability. However, the presence of asymmetric information makes it difficult for funding bodies to provide an appropriate amount of funds, and as a result, applicants may have incentives to request funds for projects even when their externalities relative to the cost are low, or when the projects can actually be materialized without subsidies in order to save directly incurred costs. Excess funds could also lead to, for example, potentially wasteful year-end spending and other diversions of funds. One natural solution for selecting a desirable project and gauging the appropriate amount of subsidy is to conduct intense assessment and monitoring, but recruiting competent and unbiased reviewers may prove difficult especially for projects that involve profit-making opportunities as well as positive externalities. The efficacy of selection may be greatly enhanced if a simple, practical self-selection procedure is entailed in the application process. This paper studies how subsidies and commitment to self-financing can be used together to select projects that are socially desirable and cannot be realized without the subsidies. We are particularly concerned with subsidies to organizations that may have some self-funding capacity, so that a proposed project might not actually need to be subsidized by the government. Our approach is distinct from, but complementary to the existing literature on R&D subsidies that has primarily focused on the selection and realization of projects with sufficiently large positive externalities. How should commitment to self-financing be used to induce self-selection of projects that are not materialized without subsidies? How does the fraction of the cost to be borne by the recipient organization change according to its budget constraints and the nature of the proposed project? We address these questions by developing a simple screening model that features both the amount of subsidies and the money committed and self-funded by the recipient.