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Working Paper

Preponderance of Evidence

CESifo Working Paper, No. 725

Provided in Cooperation with:

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Suggested Citation: Demougin, Dominique; Fluet, Claude (2002) : Preponderance of Evidence, CESifo Working Paper, No. 725, Center for Economic Studies and ifo Institute (CESifo), Munich

This Version is available at:

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Working Papers

PREPONDERANCE OF EVIDENCE

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CESifo Working Paper No. 725 (2)

May 2002

Category 2: Public Choice

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ISSN 1617-9595



An electronic version of the paper may be downloaded

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* This is a revised version of a paper circulated under the title "Preponderance of the Evidence: Tort Rules and the Efficient Standard of Proof". We are grateful for the numerous useful comments received at various seminars and conferences. Particular thanks are extended to M. Boyer, C. Helm, C. Kirchner, E. Mackay, A. Miglo, F. Riedel, B. Schäfer, G. Thüsing. The usual disclaimer applies. Financing from FCAR (Quebec) is gratefully acknowledged.

PREPONDERANCE OF EVIDENCE

Abstract

This paper analyzes the incentive properties of the standard and burden of proof for a finding of negligence, when evidence is imperfect and rests with the parties. We show that the “preponderance of evidence” standard provides maximal incentives to exert care. This holds even though litigants may have unequal access to evidence and distort information. The optimal assignment of the burden of proof follows from the principle underlying the standard of proof. Our main results are derived in a mechanism design framework, but we also consider implementation as a sequential equilibrium with the court as a player in the game.

JEL Classification: D8, K4.

Keywords: negligence, standard of proof, tort rules, burden of proof, deterrence.

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