

Criminalizing Employee Negligence

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Abstract: Prosecutors in many countries bring criminal charges against a firm's employees following accidents in which no intent to harm exists. Proponents of criminalizing employee negligence point to the deterrent effect in preventing catastrophic accidents. Opponents express concerns regarding the incentives of firms and individuals to share critical information about accidents in subsequent safety investigations. We build an intertemporal negligence-and-punishment model to investigate the impact of criminalizing employee negligence. We find that criminalization internalizes an employee's incentive to prevent such negligent accidents, which was previously absent without the risk of criminal prosecution. By inducing the employee to exert more effort, the firm reduces the liability exposure of an accident and social welfare increases as a result of smaller expected accident losses.

Dr. John Gong is Associate Professor of economics at the University of International Business and Economics, where he teaches and researches in areas of microeconomics, industrial organization, antitrust and regulatory economics and international trade. Dr. Gong is a prolific researcher and writer with a long list of publications in American academic journals of both economics and electric engineering fields. He is an op-ed columnist at Shanghai Daily, China's second largest English language daily newspaper, writing extensively on economical and political issues. He also serves as an expert consultant with the Department of Commerce's Antitrust Bureau in China, and lately acted as the chief architect of the Bureau's national competition database project. Dr. Gong holds two U.S. patents in switched digital cable television technologies. Prior to joining UIBE in 2009, Dr. Gong was Senior Advisor at the Cable Television Laboratories Inc. (CableLabs) in Louisville, Colorado, where he was responsible for identifying, developing, and managing strategic assessment projects analyzing emerging new technologies and service opportunities relevant to the cable industry, as part of CableLabs' CEO level consulting practice. Before joining CableLabs in 2001, he was a Research Scientist at Bell Communications Research's Applied Research Lab for 7 years, where he had been involved in various public policy research activities in telephony, wireless and Internet areas. Dr. Gong played an important contributing role in ex-Vice President Al Gore's National Informational Infrastructure (NII) project.

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- 建立经济学模型用于政府对垄断行业管理的公共政策研究，包括网络对接和结算等问题
- 研究通讯发展趋势，英特网对传统电话以及无线通讯对固线通讯的替代作用
- 建立经济学模型，研究数据通讯流量在电话网络主干线的影响
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Journal Publication

1. "Split Award Auction with Investment," with Jianpei Li and Preston R. McAfee, under review, Review of Economic Studies
2. "Knowledge Sharing in Online Communities," with Zhaoli Meng et al, European Conference on Information Systems (ECIS) 2009, Conference Proceedings, June 2009
3. "Competition and Adoption of Search Engine Software," with Zhaoli Meng et al, International Journal of U- and E-Service, Science and Technology, Vol. 2 , No. 1, January 2009
4. "Simulation Study of the Spectral Capacity Requirements of Switched Digital Broadcast," with Daniel Vivanco et al, IEEE Broadnets 2007, Conference Proceedings, September 2007.