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**Paper submission in the topic area of Criminal Law & Economics:**

***Day Fines in the Lens of the Rational Choice Approach:  
Actors, Incentives, and Strategic Interactions***

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**Abstract**

This paper provides a conceptual analysis of day fines through the Rational Choice Approach. Day fines (wealth-dependent fines) which are adjusted both to the severity of the offense and the offender's financial capacity are designed to equalize the relative burden of punishment across perpetrators of different income levels. While often contrasted with fixed fines, their broader incentive effects remain underexplored. Building on Becker's economic model of crime and enriched with public choice theory, the paper examines the incentives created by day fines for three groups of actors: offenders of different wealth, institutional actors (the state, enforcement authorities, judges), and third parties (victims, witnesses, families and dependents of the offender). The analysis shows that day fines may incentivize behaviors such as income underreporting, lobbying by wealthy offenders, changes in enforcement priorities, or strategic sentencing practices. Rich offenders might have incentives to underreport their wealth, bribe,

or delegate some activities punished with day fines. In turn, institutional actors might focus on fine-generating cases to increase budget revenue, while judges might simplify the process of determining offender's wealth. On the other hand, victims and witnesses might change their crime reporting decisions under a day fines system in comparison with a fixed fines regime. The paper also considers how these incentives interact dynamically, creating game theory-like responses, and examines possible spillover effects of day fines. The central claim is that wealth-dependent fines should be understood not merely as a sentencing tool but as a systemic incentive mechanism with important consequences both inside and outside the criminal law.