Toward an Amsterdam Behavioral Economics and Law lab (ABEL)

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Experimental Economics and Law (E&L)

- Aka Experimental Economics and Experimental Finance
- Related but not similar to behavioral sub-disciplines (cf. “Behavioral Economics” and “Behavioral Strategy”)
- Behavioral => disciplinary orientation; experimental => research method
- Oftentimes not in line with Experimental Economics standards; rather, templates from Psychology
- Inspiration from Economics: incentives (e.g., delegation games) and macro designs (e.g., asset markets)
- Inspiration from Psychology: personality, language, priming, PSM, ESE, implicit motives ...
- Powerful teaching device AND research design: deeper understanding of causalities
Key: unraveling causalities

• Holy Grail of the randomized controlled experiment
• Essential features:
  1. Randomized assignment
  2. Theory-based treatment
  3. Control group (“placebo”)
• High internal validity (and lower external validity; but see below)
• Different types of experiments – e.g., questionnaire / web, laboratory, and field-based
• Quasi-experiment adds survey information (extra control for non-random heterogeneity plus additional explanatory variables)
• Focus on the effect of the treatment AND / OR individual differences
Lab work I

Lab work II

- Gargalianou, V., D. Urbig & A. van Witteloostuijn (2016), Cooperating or Competing in Three Languages: Cultural accommodation or alienation?, *Cross-Cultural and Strategic Management* (formerly known as *Cross-Cultural Management*) **24**: 167-191.
An example: pro-social rule breaking

- Web-based vignettes quasi-experiment
- Vignettes: social housing civil servant receiving randomized client information
- Experiment: affect treatment
- Quasi: Public Service Motivation (PSM) survey
- Claim: high-PSM people are more likely to break rules to discriminate pro-socially (the bureaucracy paradox)
- Collaborative effort across 15 countries (extra: multi-site replication plus cultural contingencies)
Exemplary questions

1. What is the average effect of a rule on individual behavior?
2. What can explain inter-individual differences?
3. What is the effect of rule change at the aggregate (e.g., community or market)?
External validity

• Beyond student samples (e.g., in executive education or in organizations)
• Contexts and treatments with high face validity (real-world relevance)
• Outside the lab setting:
  - Web platform sampling
  - Field experimenting
  - Natural experimental “shocks”
• Mixed methods designs (from organizational ethnography to text mining machine learning)
Empirical legal studies: an aside

Rule ecology

Infrastructure

• Computer lab (connected cubicles)
• Mobile lab (laptop network)
• Web platform
• Participant pool
• Lab manager
• Fellow network
• ...
SHOOT! 😊😊