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Book review

A Book Review of “A Research Agenda for Experimental Economics” by Ananish Chaudhuri.

In *A Research Agenda for Experimental Economics*, Ananish Chaudhuri, Professor of Experimental Economics at the University of Auckland, provides a thoughtful, albeit eclectic collection of chapters on the state of the literature in experimental economics. I suspect that his well-rounded view of the field is thanks in part to his experience authoring multiple books, serving in editorial roles at numerous journals, and making extensive contributions in the popular media. This volume is particularly informative regarding paths for future research. In the opening chapter, Chaudhuri comments briefly on the growth of experimental papers, differences between Economics and Psychology experiments, payment protocols, and frequent criticisms of experiments. He then articulates the purpose of the volume, which is not to provide a comprehensive overview of the literature, but rather to (1) engage readers who may not have previously considered experiments as a methodology, and (2) connect with experienced experimentalists to demonstrate how methods which with they are already familiar can be used to answer a new set of questions. The aim is starting a discussion among groups of researchers who may not have previously worked with each other with the ultimate goal of promoting innovative collaborations.

In Chapter 2, Tremewan and Vostroknutov examine norms and comment on the lack of consensus in the literature about what norms are. They present a theory of injunctive norms, following [Kimbrough and Vostroknutov \(2020\)](#), in which people are dissatisfied with material outcomes that fall short of what they could have been. People empathize with others and have evolved to minimize aggregate dissatisfaction. The authors address how norm related beliefs map to behavior. By touching on different approaches to studying norms and highlighting recent research, they are suggestive about paths for future work.

Guerra covers law experiments in Chapter 3, focusing on the Coase Theorem ([Coase, 1960](#)), pre-trial settlement, and torts and liability rules. A chapter on law experiments is especially timely in the age of Covid-19, in which public health officials are trying to figure out how to create successful Covid prevention measure mandates. Also, the conservative super majority on the US Supreme Court has created a different legal landscape in the USA on matters that had previously appeared to have been settled, such as abortion.

Cason, Friesen, and Gangadharan focus on environmental regulation, a specific kind of legal framework, in Chapter 4. They argue that success depends critically on compliance ([Friesen, 2012](#)), which one cannot expect without adequate monitoring and enforcement. Behavioral levers vary in their success achieving compliance, indicating that future work should address why behavioral levers vary in effectiveness, with a particular focus on the role of context.

In Chapter 5, Maitra and Neelim consider how preferences such as risk tolerance, optimism and willingness to compete affect entrepreneurial choice and success. They also examine whether such preferences are malleable. While some malleability appears possible under certain circumstances, the evidence on systematically influencing preferences with the goal of long-term entrepreneurial success is sparse at best ([Maitra and Mani, 2017](#)), identifying a research area in which more study could promote growth in developing economies.

Gibson discusses health economics experiments in Chapter 6. He comments on “experiments” having different meanings in different circles. In health economics, many “experiments” have had study participants make choices that are hypothetical because the subjects do not face the consequences of their actions ([Galizzi and Wiesen, 2017](#)). There is, however, a burgeoning literature on risk and time preferences as they relate to health, and on information, price, and payment scheme interventions. Gibson convincingly argues that there remains much low hanging fruit in the discipline of health economics experiments.

Eckel, Gangadharan, Grossman, and Xue explore the gender leadership gap in Chapter 7. They provide a concise, but informative overview of gender differences in preferences relevant to leadership ([Niederle and Vesterlund, 2007](#)), the selection of women as leaders, and differences in how the leadership of men and women are evaluated. They point out that interventions that target changing preferences relevant to leadership, such as risk aversion and competitiveness, neglect the issue of how women are perceived. As such, greater acceptance of women as leaders and structural changes to prevent harmful stereotypes are important and are deserving of more attention in future research.

In Chapter 8, Fischer, Atkinson, and Chaudhuri discuss experiments in political psychology. The experiments emphasize the identification of relationships between political ideology and measures of pro-sociality like distributional preferences, trust, and norm following. The authors note that incentivized experiments are still somewhat rare in political psychology, as many researchers

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continue to rely on survey instruments, as is commonplace in social psychology. The chapter identifies gaps in the literature on incentivized experiments that should provoke dialog between Political Psychologists and Experimental Economists about interdisciplinary collaboration.

Cowie, Kirk, and Krigolson provide a selective overview of the literature on neuroeconomics in Chapter 9. They discuss how EEG and fMRI have provided insight regarding the physiological processes underlying decision-making under uncertainty, choices in distributional games like dictator and ultimatum bargaining games, and temporal discounting. They are rather specific about where they see the literature going from here: while we have learned much about the physiological underpinnings of different kinds of decision-making, there is more to be discovered about commonalities and differences in physiological activity across different decision environments. Such study will help us better understand relationships between physiology and decisions, and possibly produce insight about preventing poor choices, which has a host of fascinating policy implications.

Delving further into physiology, Dickinson examines sleep and decision-making in Chapter 10. While the decision about how much to sleep is clearly a key part of every person's daily time allocation calculus, Dickinson focuses specifically on how sleep affects choices. He engages literature on individual choices such as decision-making under uncertainty to strategic games like the public good game. Dickinson also addresses different methodological approaches, ranging from observational studies to manipulating people's sleep to studying their choices at different times in the circadian rhythm. The discussion of methods is especially apt, since if a key purpose of the volume is to get different researchers talking to each other, one approach is discussing pros and cons of varying methodologies.

The easy way to be critical of the volume is questioning whether it includes the right selection of topics, covered by the right selection of authors. Regarding the topics, Chaudhuri has erred toward breadth when navigating the breadth versus depth tradeoff. However, this is true to his mission of providing a variety of content that engages a broad range of readers in order to provoke dialog among people who not may have previously considered working together.

Furthermore, there are natural ties among many of the chapters and it is possible to create some groupings among chapters. For example, environmental regulation ties to law experiments because the success of regulation depends critically on compliance, which is a key question at the heart of many law experiments. Of course, in the real world, the environment in which all of this occurs is determined by the political process, and hence the connection to political psychology. This set of chapters is especially timely in light of the climate crisis. The potential to do something about our predicament will depend on the political process and the success of legislators in creating a legal and regulatory framework that achieves compliance.

Another natural grouping of chapters is among neuroeconomics, sleep and health economics, as there are a multitude of feedback effects among them. Health indicators and sleep affect the brain activity that is the focus neuroeconomics. The decisions that people make have implications for their health outcomes, including those that are sleep related.

My reading is that Chaudhuri's original intention with the volume was to bring together people familiar with the standard methods of experimental economics, such as incentivized decision-making, with researchers who have possibly not previously used such methods. However, when one starts thinking broadly about how the topics in the various chapters relate, it also becomes clear that the volume makes the case for approaching big challenges such as climate change and health, using a broader, more holistic, and more interdisciplinary view than many of us are accustomed to. I would argue that this is all very much within the spirit that Chaudhuri was trying to create.

On the topic of methodology, there are two chapters that include the argument that there is room to do more incentivized experiments. They are the chapters on health economics experiments and on political psychology. I hope that readers pay special attention to these chapters because they identify the areas that would benefit most from more collaboration with mainstream experimental economists well-versed in creating incentivized environments.

Regarding the selection of contributing authors, Chaudhuri was able to assemble an excellent pool of expertise, from Tim Cason writing about environmental regulation to Catherine Eckel on gender to David Dickinson on sleep. The set of authors is impressive. While no chapter claimed to provide a comprehensive survey of its topic, the expertise among contributors meant that the reference lists were very well curated. As an example, the chapter on the gender leadership gap includes the groundbreaking works of Muriel Niederle and Lise Vesterlund (Niederle and Vesterlund, 2007; Niederle, 2017).

In sum, while the volume does not give a comprehensive treatment of the literature, it presents a fascinating collection of key topics that will accomplish Chaudhuri's goal of provoking dialog among researchers, perhaps familiar with different methodologies, who have not previously worked together. In addition, the volume creates linkages among topics that are suggestive about paths for collaboration. As such, Chaudhuri has produced a volume that will do much to promote discussion about innovative, interdisciplinary collaborations. I see this as an excellent opportunity for expanded horizons and growth.

Declaration of Competing Interest

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper.

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Alexander Smith

Department of Social Science and Policy Studies, Worcester Polytechnic Institute (WPI), 100 Institute Road, Worcester, MA 01609, USA

E-mail addresses: adksmith@wpi.edu.

URL: <http://adksmith.weebly.com>