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“Can Collusion Promote Corporate Social Responsibility? Evidence from the Lab”

Abstract
Recent experimental studies show that competition may erode socially responsible behavior on markets. This suggests that cartel agreements among firms might promote public interest objectives. We test this intuition in a laboratory experiment. Participants playing the role of firms can choose between offering a ‘fair’ and an ‘unfair’ good to a consumer after which they post a price. Subsequently, the consumer can choose between the two offers. We vary whether or not the firms can coordinate on the type of good they sell. We find that the opportunity to coordinate on the kinds of goods sold has no significant impact on the fraction of fair goods offered to nor traded on the market. It