

Faculti Summary

<https://faculti.net/conflict-in-the-pool/>

The speaker is an academic economist at the University of Queensland, specializing in experimental and behavioral economics. They explain the importance of running experiments with economic agents to compare actual behavior with theoretical predictions. This video approach helps identify discrepancies between economic theory and real-world behavior, leading to the development of enriched theories that incorporate behavioral elements.

Key points include:

1. **Conflict vs. Competition**: The speaker differentiates conflict from positive competition. Conflict arises when agents engage in costly fights for a prize, resulting in a net loss for society, whereas competition can yield positive outcomes, such as innovation or improved performance.
2. **Field Experimentation**: The speaker's team conducted a field experiment in swimming pools to test conflict theory predictions, which had previously been validated in laboratory settings. They utilized trained actors to simulate conflict situations by requesting swimmers to vacate lanes.
3. **Hypothesis Testing**: They examined two main hypotheses:
 - A higher valuation message (indicating urgency for training) would lead to more swimmers leaving the lane.
 - The likelihood of a swimmer leaving would decrease if adjacent lanes were crowded.
4. **Findings**: Both hypotheses held true, confirming conflict theory predictions. This video was significant as it provided external validity to the theoretical models, demonstrating their applicability outside of controlled laboratory settings.
5. **Implications for Economies and Workplaces**: The speaker highlights the negative impact of conflictual situations in environments such as workplaces, where competition can become toxic, leading to inefficiencies and harmful consequences for employee wellbeing and overall business effectiveness.

In summary, the talk emphasizes the value of experimental economics in understanding the dynamics of conflict versus competition and its implications for societal and organizational efficiency.