

Self-Regulatory Organizations Under the Shadow of Governmental Oversight: An Experimental Investigation *

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Abstract

Self-regulatory organizations (SROs) can be found in education, healthcare, and other not-for-profit sectors as well as in the accounting, financial, and legal professions. DeMarzo et al. (2005) show theoretically that SROs can create monopoly market power for their affiliated agents, but that governmental oversight, even if less efficient than oversight by the SRO, can largely offset the market power. We provide an experimental test of this conjecture. For carefully rationalized parameterizations and implementation details, we find that the predictions of DeMarzo et al. (2005) are borne out.

Abstract

Samoregulační organizace (SROs) najdeme v oblasti vzdělání, zdravotní péče a dalších neziskových sektorech, stejně jako v účetnictví, finančních či právnických profesích. DeMarzo et al. (2005) teoreticky ukazují, že SROs mohou na trhu vytvářet monopol pro své členy, ale že státní dozor, i v případě menší produktivnosti než dozor z SRO, může výrazně snížit monopolní sílu členů SRO. Poskytujeme experimentální test této teorie. Pečlivým racionalizováním parametrizací a implementačních detailů potvrzujeme teorii DeMarzo et al. (2005).

Key words: Experimental Economics, Self-regulatory organizations, Governmental oversight

JEL classification: C90, L44, G18, G28

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