

## Index

---

- ability to comply 194–7, 240, 241  
 accountability 52  
 ACT-R 21, 56–7  
 actor constellation 24  
 actor/observer effect 246  
 ad hoc intervention 5, 215  
 adaptation 164  
 adaptivity 1  
 addiction 49, 56, 213, 261  
 additional player 119  
 Adler, Matthew 220  
 adversarial procedure 220  
 Ainslie, George 23  
 Ajzen, Icek 56, 220  
 Akerlof, George 19, 68  
 Albert, Hans 20  
 Alchian, Armen 14, 164  
 Allais, Maurice 29, 169  
 Allen, Andrea 11  
 altruism 47  
 ambiguity aversion 61, 245  
 analogy 36  
 anchor 34, 54, 207, 213  
 anchoring 218, 235  
 Anderson, John 56, 203  
 anti-anti-paternalism 262  
 anticipated justification 220  
 anticipation 67, 170  
 Arendt, Hannah 218  
 Arrow, Kenneth 193  
 artificially increased unpredictability 87–8  
 as if 164  
 aspiration level 51  
 association 36, 42, 50, 57  
 assumption 94, 119, 120  
 asymmetric prisoner's dilemma 17  
 asymmetry 86, 104  
 attention 31, 49, 52, 53, 196, 201, 205, 219, 245  
 attention heuristics 31  
 attention management 205  
 attitude 39, 42, 56  
  
 atto 23  
 attribution error 246  
 auction 235  
 automatic behaviour 195  
 automation 204, 238–9  
 autonomy of institutions 12  
 availability heuristic 31, 40  
 Axelrod, Robert 266  
  
 backwards induction 74, 113  
 bad predictability 4  
 Bandura, Albert 43  
 bargaining theory 93  
 Bartlett, Frederic 37, 203  
 base rate 53, 102  
 battle of the sexes 14, 77–81, 126  
 Bayes' rule 108  
 Bayesian updating 102–4  
 Becker, Gary 14  
 behavioural disposition 23  
 behavioural law and economics 17, 241  
 behavioural risk 195  
 behaviourally restrained rational  
   actor 194  
 Bem, Daryl 11  
 benchmark 10, 132  
 benchmark for joint decision 121  
 Berger, Peter 12, 35  
 better than rational 248  
 Bettman, James 26  
 bias 25, 28, 40, 62, 216  
 blending 37, 57, 207  
 bliss points 48  
 blocking of behavioural dispositions 199  
 Bohner, Gerd 32  
 bonding cost 151  
 Boyd, Robert 46  
 breach of expectations 91  
 breakdown value 93  
 Brehm, Sharon 212  
 Brunswik, Egon 39, 52, 60, 249  
 Buchanan, James 47, 157

- buffer 56  
bundling 154
- Camerer, Colin 21, 192  
certainty effect 178  
chain store paradox 112  
Chamberlin, Edward 18  
chance actor 71  
chance interaction partner 259  
charisma 62  
cheap talk 221  
cheater detection 249, 254  
chicken game 126, 150, 153, 156, 174  
choice 50–2  
choice space 238  
Christmas savings club 261  
clarity 48  
class of uninformed actors 258  
classic conditioning 42, 204, 227  
Coase, Ronald 135, 167  
code 231  
cognition 30–8, 190, 205–9, 245, 266  
cognitive dissonance 43, 210, 212  
cognitive governance 205  
cognitive learning 43, 204, 209, 227  
cognitive limitation 193  
cognitive problem 3  
cognitive script 5  
coherence 48  
Coleman, James 112, 138, 241  
collective actor 138  
collective good 13  
command and control regulation 239  
common knowledge 105, 131  
commons 46  
communication 221, 223  
competence/difficulty gap 196  
competition 70, 98, 124, 235  
complexity 4, 8, 138, 193  
compulsory insurance 184  
compulsory schooling 225  
computational capacity 28  
Condorcet, Marquis de 193  
confirmation bias 36  
conflict 13, 156, 254, 255  
Conlisk, John 197  
consciousness 50  
consistency 48  
constitution 151  
construction 265  
constructivism 35  
consultation 220  
context 4, 34, 39, 61, 95, 99, 101, 133, 135, 161, 162, 168, 171, 181, 195, 221, 223, 225, 228, 241, 245, 249, 250, 265  
contextual governance 221  
contract 134–5  
contrast effect 34  
co-ordination 2–3  
corporate actor 138, 236, 237, 257  
corporatisation 237, 257  
Cosmides, Leda 25, 249  
cost–benefit analysis 131, 160, 220, 239  
counterproductive effect 58  
cover story 34, 61  
creativity 37  
credibility 78, 114, 118, 134, 136, 137, 168, 171, 173, 175, 181, 182, 189, 194, 241  
credibility entrepreneur 145  
credit information bureau 142  
crowding out 19, 165, 211  
cue 27  
cultural theory 35  
culture 5, 61, 101, 232  
curiosity 48  
custom 45, 50, 232, 237  
customised intervention 193, 223, 228  
customisation 88, 109
- debiasing 12, 198  
deception 87  
decision mode 52  
decision tree 204  
decontextualisation 8, 17  
decoration 210  
deframing 207  
degrees of freedom 30  
delegation 240  
delegation to technology 241  
deliberate reasoning 30, 234  
deliberation 52  
democracy 159  
deregulation 18  
de-routiniser 201  
Descartes, René 2  
designed institution 5  
Deutsch, Roland 26, *passim*  
development 216, 223, 225  
differential psychology 11, 60, 62  
digital rights management 231  
DiMaggio, Paul 264  
diminishing returns 48  
direct mechanism 98–9  
disclosure laws 207  
discounting 54, 59  
discourse 221, 230  
discretion 138

## 310 Index

- distribution 167, 258
- division of labour 2
- domain specific 28
- dominance 77
- dominant strategy 81
- Domjan, Michael 42
- drive 196
- dual process theory 26
- dualism 2
- duty to rely on outsiders 220
  
- Eastern Europe 18
- Easton, David 225
- eBay 142, 156
- ecological rationality 249
- economies of scale 136
- economies of scale and scope 225
- Edelman, Murray 9
- editing 28, 32, 206, 245, 255
- education 209, 214
- efficiency 120, 127
- Eggertsson, Thrainn 74, 194
- Einstein, Albert 66
- elaboration 36–8, 49, 207, 246
- e-learning 220
- election 235
- Ellickson, Robert 237
- Elster, Jon 13, 261
- embeddedness 47
- emotion 41, 49, 52, 54, 101, 196, 219, 234, 246
- emotionalisation 215
- enculturation 216
- endowment effect 34, 40
- enriching the behavioural repertoire 200
- envy 47, 178
- EPIC 21
- Epstein, S. 11
- equilibrium 75
- equilibrium in mixed strategies 125
- equilibrium selection 15, 77
- erasure of behavioural dispositions 199
- errors 29
- evaluation 39
- Evans, Jonathan 26
- evolution 217
- evolution of institutions 267
- evolutionary economics 60
- evolutionary psychology 25
- evolved institution 5, 226
- exit 136, 139
- experience 58, 61
- experience good 19
- experimental economics 10
- experimental intervention 229
- expertisation 203, 204, 236
- exposure 204, 208, 221
- expressive law 230
- external shock 8
- externality 155
  
- face saving 45
- fairness 45, 46, 84, 95, 211, 247
- fairness norms 254, 256
- false consensus bias 246
- false consensus effect 41
- false negatives 103
- false positives 103
- fear 49
- feedback 222
- Fehr, Ernst 45, 249
- femto 23
- Festinger, Leon 43, 210
- firm 138
- first-mover advantage 80, 127
- Fishbein, Martin 56, 186
- focal point 78
- foot-in-the-door technique 210
- formal institution 5, 229–32
- formality 219, 225
- framing 33, 202, 207, 212, 220, 255
- Frank, Robert 47
- free will 266
- free-riding 13, 46
- freezing a behavioural trait 200
- Frey, Bruno 19, 44, 48
  
- game theory 10, 15, 46, 68–153
- Geertz, Clifford 266
- Gehlen, Arnold 12, 162, 206, 261
- generalised trust 261
- generic knowledge 33, 35, 58, 61, 69, 142, 143, 225, 239
- genetic predispositions 217
- Gentner, Dedre 36
- Gigerenzer, Gerd 20, 29, 243
- giving reasons 219
- Glimcher, Paul 2
- globalisation 8
- governance structure 138
- government 257
- greed 178
- group 217, 221, 224, 237, 246, 256
- group dynamics 213, 257
- group membership 210
- Güth, Werner 45
  
- habit 13, 27
- Hall, Peter 264
- happiness 44, 210

- Hardin, Garrett 46  
 Harless, David 192  
 harmony game 75  
 Harsanyi, John 72  
 hawk dove game 76  
 Hebb, Donald 42, 199  
 Heiner, Ronald 14, 164, 196  
 Henrich, Joseph 46  
 heterogeneity 19  
 heuristics 28, 30, 31, 53, 66, 84, 195, 204,  
     232, 238, 248  
 hindsight bias 25, 29, 220  
 Hirschman, Albert 221  
 Hobbes, Thomas 157  
 Hodgson, Geoffrey 5, 264  
 hold-out 168, 171  
 Holyoak, Keith 36  
 Holzinger, Katharina 75  
*Homo oeconomicus* 15, 65  
 human capital 92  
 Hume, David 49
- ideas 47  
 identity 47, 211, 221, 258  
 ideology 101, 233  
 ideo-motor principle 50  
 idiosyncrasy 32, 64  
 ignorance 55  
 illusion of control 40  
 illusion of predictability 3, 17  
 imitation 43, 204, 235  
 Immergut, Ellen 264  
 immigration 143, 218  
 imperfect information 72, 79  
 implementation 194–7  
 implicit knowledge 69, 139, 255  
 imposed training 204  
 impression management 90, 199  
 imprinting 64  
 impulses 44  
 impulsive system 26  
 inactivity 120  
 incentive 6, 228  
 incomplete contract 91  
 incomplete information 72  
 indirect approach 14  
 indivisibility 88, 154  
 informal institution 17, 19, 226, 232–3  
 informal instructions 237  
 information 89  
 information asymmetry 14, 15, 19, 20,  
     68–153  
 information on probability 5  
 information rent 171  
 ingroup-outgroup effect 257  
 input 56, 225
- inspection 94–8, 136, 139, 142, 197  
 inspection cost 95  
 instinct 44  
 institution 58  
 institution definition 5  
 institution-free environment 6  
 institution-free situation 14  
 institutional analysis 17–19  
 institutional arrangement 5, 17, 18, 193,  
     205, 209, 226, 228–9, 242, 267  
 institutional choice 160–3  
 institutional design 7–10, 17–19, 66, 192,  
     226, 232, 249  
 institutional designer 225  
 institutional intervention 4  
 institutional phenomenology 10  
 institutional transplant 18  
 institutionalism 263–9  
 instrumental conditioning 204  
 insurance 10, 146, 176–85, 197, 240, 251  
 interaction norms 256  
 interaction routine 245, 249, 250, 251, 255  
 intermediary 75, 142, 225, 235  
 Internet 78  
 intervention 227  
 intrinsic motivation 165  
 intrinsic value of predictability 261  
 introspection 246
- Jackman, Simon 15, 162  
 Jakobs, Günther 47  
 Johnson, Eric 26  
 Johnson-Laird, Philip 37  
 Jolls, Christine 198  
 judgement 38–41, 49, 208, 247  
 judgement heuristics 40, 50  
 justification 202, 219
- Kahneman, Daniel 29, 169, 206  
 Kaldor/Hicks criterion 73  
 Kirchgässner, Gebhard 101, 234  
 Knight, Frank 55, 74  
 Knight, Jack 77  
 Kuhn, Thomas 66  
 Kunda, Ziva 11
- Lachmann, Ludwig 264  
 last-mover advantage 112  
 law 16, 226, 229  
 learning 42–3, 64, 154, 208, 215, 222, 223,  
     225, 230, 235  
 learning heuristics 43  
 legal positivism 226  
 legitimacy 66, 225  
 Lerner, Jennifer 202  
 Lessig, Lawrence 214, 231

Cambridge University Press

0521851394 - Generating Predictability: Institutional Analysis and Institutional Design

Christoph Engel

Index

[More information](#)

## 312 Index

- lexicographic 27, 41
- liberty 159
- limited cognitive abilities 4
- litigation 220
- loss aversion 206, 231, 234
- lottery 241
- low cost decision 101, 234
- low cost situation 166
- Luckmann, Thomas 12, 35
- Lüdemann, Jörn 200, 239
- Luhmann, Niklas 16, 266
  
- MacNeil, Ian 70
- macro 22
- Mantzavinos, Chrysostomos 37, 265
- March, James 267
- market 70, 234
- market organisation 19
- marriage 219
- masking of behavioural dispositions 199
- matching 33
- matching pennies 76
- Maynard Smith, John 266
- meaning 13, 21, 32, 51
- mechanism 128–31
- mechanism design 20, 98
- mediation 220
- membership 101
- memory 31, 32, 41–2, 49, 53, 64, 196, 208, 227
- mental accounting 33, 210, 231
- mental effort 201
- mental model 37, 206, 207, 220, 227, 232
- mental tool box 26, 50
- mental tools 195, 208, 267
- meso 23
- methodological holism 265
- methodological individualism 65, 265
- micro 22, 55, 69
- Mischel, Walter 11, 23
- mitigation 164
- mixed strategies 76
- mobility 8
- model 10, 20–4, 43, 71–5
- modules 56
- monetarisation 231
- money 209
- monism 2
- monopolistic competition 18
- monopoly 70
- moral template 5
- Morgenstern, Oskar 15
- motivation 38, 43–9, 190, 247
- motivational governance 209
- multi-cultural society 8
- multiple selves 64, 101
- multiple sources of unpredictability 193
  
- nano 23, 24–56, 69, 100
- nano/micro divide 55
- narrative reasoning 51, 56, 200
- narratives 52
- Nash equilibrium 77, 125, 127
- natural frequencies 5
- Nature 71, 194
- Nee, Victor 264
- needs 50
- nested game 88, 115–19, 128, 135, 137
- Neumann, Frank 218
- neurophysiology 23
- new institutional economics 265
- Nisbett, Richard 11
- non-intervention 10
- normative currency 192
- normativity 211, 230
- norms 101
- North, Douglass 5, 47
- notary public 219
  
- Oak Park 205
- obligation to make whole 136
- observable information 94, 100, 140
- observation 139
- observer actor 3, 11, 18
- Ockham's razor 66
- oligopoly 255
- Olsen, Johan 267
- ontogeny 64, 216
- operant conditioning 25, 42, 227
- operationalisation 227–9
- opportunism 3, 91, 128
- opportunity cost 48, 76, 93, 135
- opportunity structure 117
- organisation 135–40, 149, 222
- organised market 209, 222, 235
- ostracism 233
- Ostrom, Elinor 46
- output 56
- output legitimacy 225
- outside option 70, 105, 260
- Over, David 26
- overconfidence 220
- overfitting 58
- overoptimism 29
  
- Pareto criterion 73
- parsimony 21, 66, 192
- participation 228
- participation constraint 150
- party competition 15

- paternalism 214, 261  
 patterned behaviour 101, 149, 203, 255  
 Pavlov, Ivan Petrovich 2  
 Payne, John 26  
 peer group control 237  
 perceived context 114  
 perception 32–6, 39, 49, 196, 206, 245  
 perception heuristics 35, 246  
 personality 11, 60, 101, 244  
 personality paradox 62  
 Peters, Guy 264  
 phobia 49  
 phylogeny 217  
 pico 23, 26, 27, 56–7  
 piecemeal approach 226  
 Pigou, A.C. 167  
 Pigouvian tax 231  
 pillory 210  
 plasticity 17, 37, 57, 64, 65, 68, 100, 204, 245  
 Plessner, Helmuth 12  
 plurality of mental tools 199, 244  
 policy problem 7–10  
 political party 238  
 pooling equilibrium 74, 93, 177  
 positive externality 123  
 Posner, Eric 220  
 power 157–60, 214, 218  
 predictability, definition of 3  
 preference for institutions 48  
 preference for predictability 247  
 preference learning 60, 209  
 pregnancy conflict bureau 220  
 presentation 46  
 price 192  
 principal–agent relationship 66  
 prior beliefs 102, 108, 149, 153  
 prisoner's dilemma 14, 46, 81–6  
 privacy 143, 147, 166, 258  
 private governance 151  
 private information 140  
 private institution 119  
 private knowledge 69  
 private regulation 230  
 probabilistic insurance 178  
 problem-solving 51  
 problem space 55, 74  
 procedural utility 48  
 process of decision-making 208  
 processing 57  
 product regulation 18  
 production 56  
 production frontier 133  
 profession 149, 152  
 professional training 6, 225  
 professionalisation 236–7, 267  
 professions 19  
 proof 147  
 property right 91, 167, 194  
 proportionality principle 159  
 prospect theory 40, 54, 206, 234  
 prototype 41  
 protracted intervention 229  
 provable information 147, 151, 163  
 public choice 176  
 public commitment 199  
 public good 259  
 public international law 151  
 punishing sentiments 46, 131, 249  
 punishment 99, 117, 119, 135, 145  
 punitive 254  
 randomness 4  
 rank-order competition 235  
 rational choice 3, 9, 17, 20–1, 36, 48, 54, 60, 65, 192, 209, 243  
 rational expectations 69  
 rationalisation 200–3, 215, 234–6  
 rationing 207  
 Rawls, John 157  
 reactance 71, 80, 212, 224, 247  
 realism 20  
 real-life experiences 4  
 reason-based choice 51, 55, 200  
 reciprocal unpredictability 253  
 reciprocity 45  
 recycling 239  
 redesign 8  
 redistribution 168  
 reference point 34, 40, 54  
 reflective system 26  
 reflex 50  
 register of convicted criminals 149  
 regulability 214  
 regularities of behaviour 5, 48  
 regulation 3  
 relational contract 70, 135–7  
 relation-specific investment 136  
 remorse 210  
 renegotiation 128  
 repeated game 82, 111–15, 142  
 repeated interaction 254  
 representation 32, 53, 202, 206  
 reprisals 130  
 reputation 112, 152, 199, 240, 255  
 responsibility 261  
 revelation cost 146, 150  
 rhetoric 215  
 risk 52–5, 84  
 risk bearing 240  
 risk pool 179  
 risk preference 54

Cambridge University Press

0521851394 - Generating Predictability: Institutional Analysis and Institutional Design

Christoph Engel

Index

[More information](#)

## 314 Index

- risk premium 185–90, 197, 240, 251  
 robustness 28, 178, 227  
 role 47, 237  
 Rostain, Tanina 11  
 Rousseau, Jean-Jacques 225  
 routine 27, 50, 53, 195, 204, 248, 267  
 routinisation 203–4, 236–8  
 rule following 266  
 rule of law 150, 151, 159
- salience 206  
 sample 53  
 sanctions 233, 237  
 satisfying 51  
 Savage, Leonard 55  
 Scharpf, Fritz 11, 225  
 Scheler, Max 12  
 Schelling, Thomas 78  
 schema 37, 50, 52, 203, 207  
 Schimank, Uwe 13  
 Schlicht, Ekkehart 45, 232  
 schooling 217  
 Schweizer, Urs 68  
 screening 102, 125  
 script 203, 219  
 second-guessing 105, 108  
 second-level dilemma 191  
 second-level game 124–7  
 second-mover advantage 84  
 second-order decision about mental tools 201  
 second-order dilemma 14, 15  
 second-order game 14  
 second-order predictability problem 194  
 selection 101, 235, 248  
 self-control 196  
 self-enforcing contract 137  
 self-esteem 41, 43, 44, 54, 192, 203, 210, 247, 256, 261  
 self-paternalism 261  
 self-perception 196  
 self-serving bias 51, 247  
 Selten, Reinhard 83  
 sense making 13  
 sense of responsibility 219  
 separating equilibrium 177  
 sequential game 82, 127, 150, 174  
 settlement range 134, 182  
 shadow of the future 112, 117, 135, 254  
 shadow price 192  
 Sherrington, Charles 2  
 Shoda, Yuichi 11, 23  
 side-payment 128, 133, 186  
 signal 82, 89–90, 108–11, 149, 163, 233, 235  
 signalling 99–101, 125  
 signalling problem 111, 172  
 Simon, Herbert 11, 36, 138  
 simplification 10  
 simultaneous exchange 2  
 situation 24, 29, 59, 60–1, 119, 221  
 skill 203  
 Smith, Adam 11, 44, 45, 216, 218  
 Sniderman, Paul 15, 162  
 Soar 21  
 social benefit 120  
 social capital 112, 241  
 social construction 60  
 social dilemma 46  
 social embeddedness 47  
 social norm 8, 13, 210, 230, 232  
 social planner 121, 132  
 socialisation 256  
 soft predictability 3, 161, 162, 214, 233, 237, 268  
 solution concept 77  
 sources of unpredictability 4  
 sovereign intervention 146–53  
 specialisation 240, 248  
 specific investment 71  
 speech 28  
 spite 49  
 stability 57, 227  
 stakes 52, 101, 137, 202, 234, 235, 237  
 standardisation 235  
 Stanovich, Keith 26  
 statistics 35, 36, 102  
 status 47  
 stereotype 37, 40, 50, 207  
 stopping rule 27  
 Strack, Fritz 26, *passim*  
 strategic interaction 17, 70, 124  
 subjective probability 74, 85  
 subsidiarity 150  
 subsidy 197, 231  
 subsidy/tax 163  
 sunk cost 45, 71, 114, 128, 134, 216, 234  
 Sunstein, Cass 207, 220, 262  
 surprise 88, 201  
 symbol system 5  
 symbolic intervention 9  
 symmetric game 254  
 symmetry 253  
 systems theory 16, 266
- taboos 233  
 task characteristics 239–41  
 tax 147, 197  
 Taylor, Rosemary 264  
 temptation 49, 261  
 Tetlock, Philip 202

Cambridge University Press

0521851394 - Generating Predictability: Institutional Analysis and Institutional Design

Christoph Engel

Index

[More information](#)

## Index

315

- Thaler, Richard 206, 210  
theories of middle range 22  
thick description 266  
third-party involvement 119, 140–6  
Thompson, Michael 35  
time consistency 59  
time horizon 225  
time inconsistency 261  
Tirole, Jean 21  
token good 206  
Tooby, John 25, 249  
torts 3, 260  
tradable permit 231  
training 29, 35, 62, 88, 101, 109, 208, 209,  
216, 218, 224, 237, 239, 258  
transaction on the spot 2  
transaction-specific investment 128,  
134, 168  
transition economy 18  
transmission of type information 106  
trust 12, 50, 95, 146, 179, 261  
trust good 19  
Tullock, Gordon 157  
Turner, Mark 32  
Tversky, Amos 29, 169, 206  
two-level governance 205, 210  
two-level government 257  
two-level intervention 9  
Tyler, Tom 48  
type 72  
type information 118, 136  
type revelation 92–153, 197  
type selection 190
- ultimatum game 45  
Ulysses problem 67, 68, 261
- uncertainty 4, 52–5, 74, 162, 171  
unified theory of the mind 21–2  
unintended consequences 18  
unlearning 195, 199  
unravelling 113  
updating 53, 102–4, 108, 149  
utility 44, 209
- value orientation 47  
Vanberg, Victor 47  
variance across contexts 60–1  
variance across individuals 61–4  
variance over time 59–60  
Veblen, Thorstein 5  
veil of ignorance 153, 159, 205  
vengeance 146  
verifiable information 94, 151  
verification 140, 147  
von Hayek, Friedrich-August 268  
von Neumann, John 15  
von Savigny, Friedrich 226  
voter ignorance 238  
voting routine 238  
vulnerability 71, 99, 135, 136, 137, 138,  
139, 151, 168, 171, 181, 261
- Weber, Max 26  
Wegner, Gerhard 211  
West, Richard 26  
Williamson, Oliver 2, 70  
winner take all 236
- Yee, Albert 47
- zero-sum game 125, 236