

Principles of Market Disequilibrium Dynamics and Adjustments in Multiple Market and
General Equilibrium Systems: Lessons from Large Laboratory Experiments

Charles R. Plott

California Institute of Technology

Modern technologies enable the creation of large, multiple markets systems and laboratory experimental techniques and controls can be used to study their dynamics. Markets for assets with uncertain returns have been studied in addition to markets with exchange economy characteristics. While systems disequilibria are typically observed, substantial progress exists in modeling the economic principles at work. Predictions of market movements through time and the conditions under which equilibration takes place can be demonstrated. Classical models of economic dynamics are surprisingly accurate. Several paradoxes and open questions exist, which will be covered if time permits.