Experiments suggest that communication increases the contribution of public goods (Ledyard, 1995) and also that people trade off the benefit of lying against the harm that they inflict on others (Gneezy, 2005).

We construct a two-player model of pre-play negotiation that assumes the latter and implies the former finding. We call a strategy profile agreeable if an agreement to play accordingly would not be broken and if both players have an incentive to reach such an agreement.

In a symmetric game with strategic substitutes, as the standard Cournot duopoly, the trading off of benefit and harm when lying implies that players' incentives to respect an agreement decrease with its efficiency. Such conflicts may be absent in symmetric games with (weak) strategic complements. In fact, in the linear public good game or the moral hazard in teams, an efficient agreement is agreeable if and only if any non-equilibrium action profile is agreeable.

JEL Classification C72, C78, Z13

Avainsanat-Nyckelord-Keywords
pre-play negotiation
game theory
noncooperative games
social preferences
bargaining theory
guilt
social norms
peliteoria
ei-yhteistoiminnalliset pelit
neuvottelut
syyllisyysdentunto
sosiaaliset normit
sosiaalinen pääoma
sosiaaliset verkostot

Säilytyspaikka-Förvaringsställe-Where deposited

Muita tietoja-Övriga uppgifter-Additional information