

Economics Seminar, Indian Statistical Institute, New Delhi.

SPEAKER: Ananish Chaudhuri, University of Auckland

TITLE: Credible Assignments and Performance Bonuses in the Minimum Effort Coordination Game

TIME: 11:30-1:00 PM.

DAY & DATE: Friday, 6th February, 2009

PLACE: Seminar Room 2, New Building

Abstract:

We use experiments to investigate the efficacy of credible assignments and performance bonuses in resolving coordination failures in a stag-hunt type coordination game with multiple Pareto-ranked equilibria, often referred to as a “weak link” game. Participants routinely find it difficult to coordinate to the payoff-dominant outcome in such games. We look at performance in both fixed and randomly rematched groups. A credible assignment to the payoff-dominant outcome is successful in resolving coordination failures with fixed groups. Resolving coordination failures is harder with randomly rematched groups and can be achieved only with the payment of performance bonuses.

<http://www.isid.ac.in/~pu/seminar.html>