Abstract

Nash equilibrium can be interpreted as a steady state where players hold correct beliefs about the other players’ behavior and act rationally. We experimentally examine the process that leads to this steady state. Our results indicate that some players emerge as "teachers" - those subjects who, by their actions, try to influence the beliefs of their opponent and lead the way to a more favorable outcome - and that the presence of teachers appears to facilitate convergence to Nash equilibrium. In addition to our experiments, we examine games, with different properties, from other experiments and show that teaching plays an important role in these games. We also report results from treatments in which teaching is made more difficult. In these treatments, convergence rates go down and any convergence that does occur is delayed. (JEL: C70, C91, D83, D84)