COMMUNICATION, COORDINATION AND NETWORKS

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Abstract
We study experimentally the role of the network structure of pre-play communication in determination of outcome and behavior in a multi-player coordination game with conflicting preferences. The trade-off between efficiency and equity of coordination outcomes and its link to the network structure of communication are explored. Our results show substantial variations in both efficiency and equity of coordination outcomes across networks. While, as expected, increasing the length of communication improves the chance of successful coordination, it also reduces the asymmetry in the distribution of coordinated outcomes. We identify behaviors that explain variations in the distribution of coordinated outcomes both within and across networks. In all treatments, coordination is mostly explained by convergence in communication. (JEL: C70, C92, D61, D63, D82)

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