

Title: Heterogeneous Noise and Stable Miscoordination

Speaker: Srinivas Arigapudi, IIT Kanpur

Area: Economics

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Abstract:

Coordination games feature two types of equilibria: pure equilibria, where players successfully coordinate their actions, and mixed equilibria, characterized by frequent miscoordination among players. We investigate learning dynamics where agents observe the actions of a random sample of their opponents. First, we show that when all agents have the same sample size, whether it is small or large, their behavior converges to one of the pure coordinated equilibria. In contrast, our main results show that stable miscoordination often persists when some agents make decisions based on small samples while others rely on large samples. Specifically, in many environments, increasing the sample size for some agents (but not all) results in stable states marked by miscoordination. Finally, we demonstrate the empirical relevance of our results in a bargaining application

Speaker Profile:



Prof. Srinivas Arigapudi an Assistant Professor in the Department of Economic Sciences at the Indian Institute of Technology Kanpur. His main area of research is Evolutionary Game Theory, which studies the behavior of large populations of strategically interacting agents.

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