Reversibility in Dynamic Coordination Problems*

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Abstract

Agents at the beginning of a dynamic coordination process (1) are uncertain about actions of their fellow players and (2) anticipate receiving strategically relevant information later on in the process. In such environments, the (ir)reversibility of early actions plays an important role in the choice among them. We characterize the strategic effects of the reversibility option on the coordination outcome. Such an option can either enhance or hamper efficient coordination, and we determine the direction of the effect based only on simple features of the coordination problem. The analysis is based on a generalization of the Laplacian property known from static global games: Players at the beginning of a dynamic game act as if they were entirely uninformed about aggregate play of fellow players in each stage of the coordination process.

Abstrakt

Agenti na počátku krize (1) si nejsou jisti jak se zachovají ostatní hráči a (2) očekávají strategicky důležité informace v pozdějších stadiích krize. V takových situacích hraje důležitou úlohu zvratnost raných rozhodnutí. Charakterizujeme okolnosti, za kterých je vhodné poskytnout agentům možnost zvrátit rané rozhodnutí. V analýze používáme a rozšiřujeme výsledky z teorie globálních her.

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