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Incorporating Joint Beliefs in Conflictual Coordination Games Peter Vanderschraaf, Diana Richards

The dilemma of many political contexts is captured by "conflictual coordination" games, where players would like to coordinate their actions to avoid the loss of joint gains but disagree over the coordination point. Examples of situations captured by this game logic include crisis bargaining and threshold public good provision such as pollution restrictions in an international commons. If it is assumed that players try to settle upon a Nash equilibrium, then coordination is expected to be unlikely. In this article, we explore a recently-developed alternative, the endogenous correlated equilibrium, where correlation is based on players' joint beliefs over each others' actions. Prospects for coordination and the likelihood of miscoordination are altered depending on whether players consider opponents' choices as independent or as correlated strategies.