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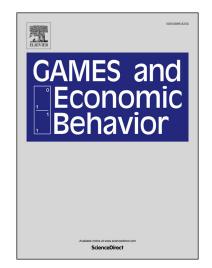
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Conventional contracts, intentional behavior and logit choice: Equality without symmetry ☆

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Abstract

When coordination games are played under the logit choice rule and there is intentional bias in agents' non-best response behavior, we show that the Egalitarian bargaining solution emerges as the long run social norm. Without intentional bias, a new solution, the Logit bargaining solution emerges as the long run norm. These results contrast with results under non-payoff dependent deviations from best response behavior, where it has previously been shown that the Kalai-Smorodinsky and Nash bargaining solutions emerge as long run norms. We complement the theory with experiments on human subjects, results of which suggest that non-best response play is payoff dependent and displays intentional bias. This suggests the Egalitarian solution as the most likely candidate for a long run bargaining norm.

Keywords: Evolution, Nash program, logit choice, egalitarianism.

JEL Classification Numbers: C73, C78.

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