

Pre-Play Communication with Limited Specificifiability

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We study a game with a pre-play communication phase. Before two parties take actions that they agreed on, they take turns to announce their intention of their own actions and their responses to the opponent's previous offer. In the communication phase, each party cannot specify her opponent's action in her offer. We identify the set of subgame perfect equilibrium payoffs in our game. In particular, if the underlying game has an action profile whose payoff profile w strictly Pareto-dominates all other feasible payoff profiles, then w is the unique equilibrium payoff profile. In other classes of underlying games, however, it is possible that Pareto-dominated payoffs are sustained in an equilibrium.