

> Friday, March 17th, 2023

14:00 – 15:30

> ICoN/PON

RESEARCH SEMINAR



EMPOWERING CHANGEMAKERS FOR A BETTER SOCIETY

‘SOCIAL UTILITY IN COALITION BARGAINING: WHEN THREE IS MORE THAN TWO IN MORE WAYS THAN ONE’

SPEAKER:

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ABSTRACT

Coalition formation can be defined as the process in which two or more agents negotiate about the decision to allocate payoffs to those that are included in a coalition and to those that are excluded from a coalition. This definition captures that being a member of a coalition is paramount as this will guarantee that one has a say in how payoffs are allocated. In this talk I argue that people often fail to appreciate this aspect of coalition formation and approach a coalition setting as if it is a given that they will be included in the deal. Using examples of our lab’s research on deception, emotions, perspective taking, and allocation rules, I demonstrate that this failure to appreciate inclusion yields potentially disastrous coalition outcomes, especially for people who control more resources than other people do. The irony of coalition formation is that having a lot to offer (e.g., political parties that obtained most votes after elections in multi-party government formation, highly successful firms who want to join forces with other firms, very attractive individuals who are seeking a romantic partner) is often associated with wanting too much and consequently ending up with nothing.