TABLES

Table 1. Experimental results. No communication.

	Nash demand game	Ultimatum game	p-value of difference
Number of pairs	39	40	
Proportion of investors	0.26	0.35	0.366
Mean profit of investor	-28.50	-12.86	0.268

Table 2. Bargaining behaviour in the Nash demand game. No communication.

	Claim of investor	Claim of trading partner	Sum of claims	Number of pairs(%)
	20	40	60	1(10)
	60	25	85	1(10)
	70	40	110	1(10)
	75	20	95	1(10)
	75	40	115	1(10)
	80	20	100	2(20)
	80	40	120	2(20)
	100	20	120	1(10)
Mean	72.00	30.50	102.50	

Table 3. Bargaining behaviour in the ultimatum game. No communication.

	Proposed division		Number of pairs(%)	Number of accepted proposals
	Investor	Trading partner		
	0	100	1 (7)	0
	10	90	3(21)	1
	20	80	1 (7)	1
	40	60	1 (7)	1
	50	50	1 (7)	1
	70	30	1 (7)	1
	75	25	2(14)	2
	80	20	4(29)	4
Mean	48.57	51.43		

Table 4. Experimental results. Communication.

	Nash demand game	Ultimatum game	Total	p-value of difference
Investor sends message:				
Number of pairs	35	33	68	
Proportion of investors	0.80	0.64	0.72	0.133
Mean profit of investor	1.96	-6.43	-1.63	0.327
Trading partner sends message:				
Number of pairs	33	30	63	
Proportion of investors	0.79	0.53	0.67	0.032
Mean profit of investor	8.46	8.75	8.57	0.967
Total:				
Number of pairs	68	63	131	
Proportion of investors	0.79	0.59	0.69	0.010
Mean profit of investor	5.09	0.14	3.08	0.389
p-value of difference:				
Proportion of investors	0.902	0.407	0.503	
Mean profit of investor	0.359	0.048	0.054	

Table 5. Bargaining behaviour in the Nash demand game. Communication.

	Investor sends message			
	Claim of investor	Claim of trading partner	Sum of claims	Number of pairs(%)
	50	50	100	3(11)
	70	30	100	1 (4)
	75	25	100	3(11)
	80	20	100	15(54)
	80	30	110	2 (7)
	80	50	130	1 (4)
	80	60	140	1 (4)
	90	10	100	1 (4)
	100	40	140	1 (4)
Mean	76.96	27.68	104.64	
	Trading partner sends message			
	Claim of investor	Claim of trading partner	Sum of claims	Number of pairs(%)
	50	20	70	1 (4)
	50	50	100	2 (8)
	65	35	100	1 (4)
	70	30	100	3(12)
	75	25	100	1 (4)
	80	20	100	16(62)
	80	50	130	1 (4)
	90	30	120	1 (4)
Mean	75.00	25.77	100.77	

Table 6. Bargaining behaviour in the ultimatum game. Communication.

	Investor sends message			
	Proposed division		Number of pairs(%)	Number of accepted proposals
	Investor	Trading partner		
	20	80	1 (5)	0
	30	70	1 (5)	1
	40	60	2(10)	2
	50	50	1 (5)	0
	60	40	6 (29)	5
	65	35	1 (5)	1
	70	30	1 (5)	1
	75	25	1 (5)	0
	80	20	6(29)	6
	100	0	1 (5)	1
Mean	63.33	36.67		

	Trading partner sends message			
	Proposed division		Number of pairs(%)	Number of accepted proposals
	Investor	Trading partner		
	20	80	1 (6)	0
	60	40	3(19)	3
	70	30	4(25)	4
	80	20	8 (50)	8
Mean	70.00	30.00		

Table 7. Tests of the statistical difference between communication and no communication.

	p-value of difference*	
	Proportion of investors	Mean profit of investor
Nash demand game:		
Investor sends message	0.000	0.007
Trading partner sends message	0.000	0.002
Total	0.000	0.004
Ultimatum game:		
Investor sends message	0.015	0.562
Trading partner sends message	0.125	0.033
Total	0.019	0.190

*Compared to the sessions without communication (in Table 1).

APPENDIX 1. EXPERIMENTAL INSTRUCTIONS: NASH DEMAND GAME

INSTRUCTIONS

In this experiment each of you will be paired with a trading partner who is in another room. Neither of you will be told who the trading partner is either during or after the experiment. There are 20 persons in each room (A and B). This is room A (B). Every person in room A and B has been given a number between 1-20, that show which pair they belong to.

The experiment consists of two stages. At stage 1 every person in room A has to decide whether to invest SEK 60 or not. If the person in room A decides to invest SEK 60 a revenue of SEK 100 is created for the pair that the person belongs to. If no investment is made no revenue is created and stage 2 below is cancelled.

At stage 2 the two persons in a pair will negotiate about how to divide the revenue of SEK 100 between them. In the negotiation each person in a pair makes a claim for part of the revenue. The negotiation has two possible outcomes:

(i) The sum of the claims of the two persons is SEK 100 or less. Each person then receive their claim.

(ii) The sum of the claims of the two persons exceeds SEK 100. Each person then receive nothing.

The experiment is carried out in the following way. At stage 1 every person in room A decides whether to carry out the investment or not. This is done by filling out the form marked ”Investment decision”. The experimenter then collects the forms and hands them out to each trading partner in room B. Both persons records the investment decision on the protocol on page 2 of these instructions.

At stage 2 the negotiation between the person in room A and the person in room B is carried out. This is done by that each person writes down their claim on the form marked ”Negotiation”. Persons in pairs where no investment was made at stage 1 should put a cross in the box ”No investment”. The forms are then collected and handed out to the respective trading partners.

In the protocol both persons note their claim, the claim of the trading partner, the sum of the two claims and their revenue of the negotiation (that is equal to the claim if the sum of the two claims is SEK 100 or less; if the sum of the two claims exceed SEK 100 the revenue is SEK 0).

Finally each person estimate their profit of the experiment and writes it down on the protocol. For persons in room A the profit is equal to the revenue of the negotiation minus the investment cost of SEK 60. For persons in room B the profit is equal to the revenue of the negotiation. For persons in pairs where no investment was made, the revenue of the experiment is SEK 0.

Every person then receives their profit of the experiment plus the SEK 100 participation fee (a person that has made a loss in the experiment thus receives SEK 100 minus the loss in the experiment).

PROTOCOL

STAGE 1 (decision about investment of SEK 60):

Investment

yes…..
no…..

If no investment was made by the person in room A, your profit of the experiment is SEK 0 and stage 2 below is cancelled. The protocol for stage 2 should only be filled out if you belong to a pair where the investment of SEK 60 was made.

STAGE 2 (negotiation about the division of the revenue of SEK 100):

Your claim……..…….SEK

The claim of your trading partner…..……..SEK

The sum of your claim and the claim of your trading partner……………SEK

Your revenue of the negotiation……………..SEK
(If the sum of your claim and the claim of your trading partner is equal to SEK 100 or less your revenue of the negotiation is equal to your claim. If the sum of your claim and the claim of your trading partner exceeds SEK 100 your revenue of the negotiation is SEK 0).

Your profit of the experiment……………….SEK
(If you are in room A your profit of the experiment is equal to your revenue of the negotiation minus the investment cost of SEK 60 and if you are in room B the profit of the experiment is equal to your revenue of the negotiation).

APPENDIX 2. EXPERIMENTAL INSTRUCTIONS: ULTIMATUM GAME

In this experiment each of you will be paired with a trading partner who is in another room. Neither of you will be told who the trading partner is either during or after the experiment. There are 20 persons in each room (A and B). This is room A (B). Every person in room A and B has been given a number between 1-20, that show which pair they belong to.

The experiment consists of two stages. At stage 1 every person in room A has to decide whether to invest SEK 60 or not. If the person in room A decides to invest SEK 60 a revenue of SEK 100 is created for the pair that the person belongs to. If no investment is made no revenue is created and stage 2 below is cancelled.

At stage 2 the two persons in a pair will negotiate about how to divide the revenue of SEK 100 between them. In the negotiation the person in room B makes a proposal for how to divide the SEK 100 between himself and the trading partner in room A. The trading partner can then accept or reject this proposal. The negotiation has two possible outcomes:

(i) The person in room A accepts the proposed division. Each person then receive the sum proposed by the person in room B.

(ii) The person in room A rejects the proposed division. Each person then receive nothing.

The experiment is carried out in the following way. At stage 1 every person in room A decides whether to carry out the investment or not. This is done by filling out the form marked ”Investment decision”. The experimenter then collects the forms and hands them out to each trading partner in room B. Both persons records the investment decision on the protocol on page 2 of these instructions.

At stage 2 the negotiation between the person in room A and the person in room B is carried out. This is done by that the person in room B writes down their proposed division of the SEK 100 on the form marked ”Negotiation”. If no investment was made at stage 1 the person should put a cross in the box ”No investment” (box 1). The forms are then collected and handed out to the respective trading partner in room A. The trading partner accepts or rejects the proposed division by putting a cross in ”Accept” or ”Reject”. If no investment was made at stage 1 the person should put a cross in the box ”No investment” (box 2). The forms are then collected again and handed out to the persons in room B.

In the protocol both persons note the proposed division, if the proposed division was accepted or not, and their revenue of the negotiation (that is given by the proposed division if the proposal was accepted; if the proposal was rejected the revenue is SEK 0).

Finally each person estimate their profit of the experiment and writes it down on the protocol. For persons in room A the profit is equal to the revenue of the negotiation minus the investment cost of SEK 60. For persons in room B the profit is equal to the revenue of the negotiation. For persons in pairs where no investment was made, the revenue of the experiment is SEK 0.

Every person then receives their profit of the experiment plus the SEK 100 participation fee (a person that has made a loss in the experiment thus receives SEK 100 minus the loss in the experiment).

PROTOCOL

STAGE 1 (decision about investment of SEK 60):

Investment

yes…..
no…..

If no investment was made by the person in room A, your profit of the experiment is SEK 0 and stage 2 below is cancelled. The protocol for stage 2 should only be filled out if you belong to a pair where the investment of SEK 60 was made.

STAGE 2 (negotiation about the division of the revenue of SEK 100):

Proposed division of the revenue of SEK 100:
The person in room B receives…………….SEK
The person in room A receives…………….SEK

The proposal was accepted: yes……   no……..

Your revenue of the negotiation……………..SEK
(If the proposed division was rejected your revenue of the negotiation is SEK 0. If the proposed division was accepted your revenue of the negotiation is equal to the proposed division).

Your profit of the experiment……………….SEK
(If you are in room A your profit of the experiment is equal to your revenue of the negotiation minus the investment cost of SEK 60 and if you are in room B the profit of the experiment is equal to your revenue of the negotiation).