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## **"Participation"**

Abstract

We show experimentally that whether and how communication achieves beneficial social outcomes in a hidden-information context depends crucially on whether low-talent agents can participate in a Pareto-improving outcome. Communication is effective (and patterns of lies & truth quite systematic) when this is feasible, but otherwise completely ineffective. We examine the data in the light of two potentially relevant behavioral models: cost-of-lying and guilt-from-blame.