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**Hiding an inconvenient truth: lies and vagueness.** (English) Zbl 1236.91041

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Summary: When truth conflicts with efficiency, can verbal communication destroy efficiency? Or are lies or vagueness used to hide inconvenient truths? We consider a sequential 2-player public good game in which the leader has private information about the value of the public good. This value can be low, high, or intermediate, the latter case giving rise to a prisoners' dilemma. Without verbal communication, efficiency is achieved, with contributions for high or intermediate values. When verbal communication is added, the leader has an incentive to hide the precise truth when the value is intermediate. We show experimentally that, when communication must be precise, the leader frequently lies, preserving efficiency by exaggerating. When communication can be vague, the leader turns to vague messages when the value is intermediate. Thus, she implicitly reveals all values. Interestingly, efficiency is preserved, since the follower does not seem to realize that vague messages hide inconvenient truths.

**MSC:**

- [91A65](#) Hierarchical games (including Stackelberg games)
- [91B18](#) Public goods
- [91B44](#) Economics of information
- [91A28](#) Signaling and communication in game theory

Cited in **2** Documents

**Keywords:**

[communication](#); [efficiency](#); [lying](#); [public goods](#)

**Software:**

[Z-Tree](#)

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