

Abstract

In this paper we attempt to answer the question of whether subjects in laboratory experiments behave according to the predictions of game theory and the refinement literature *for the reasons suggested by the theory itself*. One reason to doubt the logic supporting the refinement selection story is that it requires a thought process that appears to be out of the cognitive reach of most human subjects. Following earlier authors, we examine equilibrium selection in laboratory experiments with signalling games that are characterized by multiple equilibria, where subjects gain experience with different partners. In our experiments, however, players are able only to see their own payoffs, but not those of their partners, and are therefore unable to treat the interaction as a game. Nevertheless, we find that these experimental subjects do indeed converge to the equilibria predicted by the refinement literature. Our findings thus support the hypothesis that players do not analyze games in the manner posited by theory, but follow a non-strategic decision process.