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## Institutions and belief-less coordination

### **Abstract:**

Although it is generally agreed that the main function of institutions is to facilitate coordination, it is not clear exactly how they do it. In this chapter I address this issue from a game-theoretic perspective, focusing in particular on the formation of common beliefs that sustain equilibrium selection. I review some popular attempts to solve the problem, such as level-k reasoning, team reasoning, and solution thinking. I argue that although they all suffer from limitations, they illuminate important aspects of the problem. Finally, I suggest that successful coordination is belief-less coordination, and that teleological thinking is a promising framework to understand how equilibrium selection problems are solved in everyday life.