

# Two Types of Linkages

- Linked games = joint, consistent choices of strategies by individual players across more than one domains = one institution across domains. E.g., Social embeddedness
- Institutional complementarities = Super-modularity:  $u(A')$  –  $u(A'')$  increases when  $B = B'$  rather than  $B''$ .  $A'$  and  $B'$  (alt.  $A''$  and  $B''$ ) complement each other.  $B$  is a parameter when a value of  $A$  is chosen.
  - We can define institutional complementarities even when preferences for  $A$  and  $B$  are different among players.