

*Werner Raub*

## **Commitments by Hostage Posting\***

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**Abstract:**

We survey research on incurring commitments by voluntary hostage posting as a mechanism of cooperation. The Trust Game is employed as a paradigmatic example of cooperation problems. We sketch a very simple game-theoretic model that shows how voluntary hostage posting can bind the trustee and thus induce trustfulness of the trustor as well as trustworthiness of the trustee. We then indicate how the model can be improved by including uncertainty and incomplete information, transaction costs of hostage posting and compensating effects as well as signaling effects of hostages. Further extensions of the theoretical analysis are outlined as well as testable hypotheses and references to empirical research. Problems for future research are suggested.

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