

A NON-COOPERATIVE APPROACH TO META-BARGAINING THEORY*

Elisabeth Naeve-Steinweg**

WP-AD 97-08

Editor: Instituto Valenciano de Investigaciones Económicas, s.a.
Primera Edición Marzo 1997
ISBN: 84-482-1456-0
Depósito Legal: V-724-1997

Los documentos del trabajo del IVIE ofrecen un avance de resultados de las investigaciones económicas en curso, con objeto de generar un proceso de discusión previa a su remisión a las revistas científicas.

* I thank C. Herrero Blanco for pointing me to the subject of this paper and for advising me. Furthermore, I thank J. Naeve, W. Trockel, and an anonymous referee for very helpful comments. Financial support from the DFG through a scholarship of the Graduiertenkolleg "Mathematische Wirtschaftsforschung" at the Universität Bielefeld and the EU and the Universidad de Alicante, respectively, through SPES-CT91-0085 (TSTS) are gratefully acknowledged.

** Universität Bielefeld and Universidad de Alicante.

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A B S T R A C T

In meta-bargaining theory we consider (two-person) bargaining games and we assume that the agents want to apply two different bargaining situations. A mechanism is a function which assigns to every meta-bargaining game an allocation depending on the two bargaining solutions supported by the agents. In the literature van Damme (cf. [16]) and Chun (cf.[2]) propose two mechanisms. Under both mechanisms there is only one bargaining solution which constitutes a Nash-equilibrium in every non-cooperative game in which agents can choose bargaining solution as strategies and the outcome is determined by the mechanism. We point out some undesirable properties of the mechanisms. By modifying each mechanism we propose new mechanisms yielding the same conclusions as the original mechanisms but avoiding these properties. Furthermore, we offer another modification of Chun's mechanisms for which only the Egalitarian solution constitutes a Nash-equilibrium in every non-cooperative game.

Keywords: Meta bargaining, Nash bargaining solution, non-cooperative approach, mechanisms.